“CORPORATE SOCIAL RESPONSIBILITY, BRANDING AND FINANCIAL VALUE: A DUAL ANALYSIS FROM MANAGERS AND CONSUMERS IN AN EMERGING ECONOMY”

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CHAPTER 1: INTRODUCTION

1.1.-INTRODUCTION

1.1.1.-General background

In recent decades, Corporate Social Responsibility (CSR) has become a fundamental element—largely helping to explain consumer behavior and business success (López-Pérez et al., 2017, Martínez, et al., 2016; Ferri et al., 2016; Goyal & Kumar et al., 2016). Society is increasingly aware of the importance of our planet's resources for future generations and more and more companies are assuming their responsibility to guarantee the economic, social and environmental sustainability of their activity (Block & Wagner, 2014; Eweje & Sakaki, 2015).

At this juncture, there is reason to believe that business, government and civil society actors will assume equal responsibility for advancing along a more sustainable path. Likewise, actions aimed at reaching Sustainable Development Goals (SDGs) potentially provide a new way forward for development policy and practice—with emphasis on a broad range of objectives and targets which must be achieved globally by 2030 (Scheyvens et al., 2016).

Firms seek to legitimize their activities and CSR is a relevant concept in this sense, in the form of potential sustainable competitive advantage (Ramesh et al., 2019; Sidhoum & Serra, 2018). In other words, CSR promotes sustainability-oriented practices including values like transparency, good corporate governance and respectful relationship-building and management with suppliers, clients and local communities. Likewise, CSR can contribute to boosting company positioning (Schmidt et al., 2018).

Responsible consumption is also a crucial issue for sustainable development. Often, environmental policies aimed at promoting sustainable consumption seek to increase consumer awareness through provision of information (Pekkanen et al., 2018). Companies are increasingly expected to be more socially and environmentally responsible in the communities where they operate. This is due mostly to growing sensitivity towards social and environmental problems—and the demands of various stakeholders who expect firms to do more for society (Eweje & Sakaki, 2015).

Business success today is no longer independent from social and environmental concerns (Sidhoum and Serra, 2018). In recent decades, many companies have incorporated sustainability and CSR concepts into their management (López-Pérez et al., 2017). Moreover, it has been shown that efforts to implement these practices have a positive impact on business outcomes (López-Pérez et al., 2017; Martínez-Ferrero & Frías-Aceituno, 2015). A number of studies support the impact of CSR on business management (Eweje & Sakaki, 2015; Gelbmann, 2010; López-Pérez et al., 2017).

In recent years, both managers and the academic community have become aware of the differences between consumers, culture, and companies. Aspects like size, sector, type of economy, society—among other factors of a national nature—allow us to determine the usefulness of CSR for a given context. Hence, due to the limited attention paid to emerging countries in the literature, this study has focused on the Peruvian case, a good example of an emerging economy in the LATAM context. To date, there is still a general lack of research explicitly addressing potential links between CSR, consumers, reputation, brand image, engagement and financial value in LATAM.

With a view to reach our research objectives, we took company and consumer perspectives—in the specific case of Peru—as our reference. From a business standpoint, variables such as sector, size, training and manager experience are considered. Moreover, consumer perceptions are also evaluated. The resulting data allow us to assess the presence of CSR in

Peruvian companies and its impact on a set of outcomes relevant to business management; hence, we delve deeper into the study of the impact of CSR in emerging economy contexts.

1.1.2.-Corporate Social Responsibility

In recent years, CSR has spread extensively across the globe. A number of studies mentioned in subsequent chapters suggest that CSR weighs firms' role in society and, simultaneously, seeks contribution on the part of the business sphere to society as a whole. In a globalized context where pollution, poverty, inequality and a range of social imperatives are a priority for many nations, CSR gains importance in sustainable economic development efforts. Society is increasingly concerned with preserving planetary resources for future generations—and all stakeholders must contribute in some way. As an expert on the subject with extensive experience in the field of CSR, I have personally observed that companies are increasingly assuming their responsibility to ensure the economic, social and environmental sustainability of business activity.

CSR is understood as principles of economic, social, and environmental sustainability that companies implement voluntarily, regardless of the regulations that govern the space where they are located (Porter & Kramer, 2006). Likewise, CSR actions may be driven by managers' belief in the principles of sustainability and good governance. CSR can be adopted for the purpose of a positive return in the form of lower production costs, higher sales, greater employee satisfaction, and the potential to attract and retain talent, among other factors that impact financial value (López-Pérez, Melero & Sese, 2017). Such concepts could lead us to the conclusion that CSR practices can be an indicator of company commitment to economic, social and environmental aspects, beyond economic and commercial interests (Maignan, 2001; Pomering & Dolnicar, 2009). Hence, CSR-based practices help achieve the objectives by contributing to societal well-being.

CSR-based practices, then, contribute both to reaching business objectives and to the well-being of society as a whole (Goyal and Kumar et al., 2017). In this regard, it has been shown that companies can benefit positively when consumers are aware of responsible activities on their part (López-Pérez et al., 2017; Garrido-Miralles, et al., 2016). Hence, CSR becomes an indicator for companies (López-Pérez et al., 2017; Stanalan et al., 2011). A number of studies cited throughout have confirmed that CSR-related actions reflect concern for business sustainability (Arend, 2014). These, in turn, are comprised of consumer values, priorities, and expectations. Association with other variables makes CSR a decisive factor in aspects such as reputation, brand image, and financial value.

Finally, a number of studies reveal that companies are increasingly willing to demonstrate that CSR is an integral part of their business strategy—and have projects to show supporting their position and commitment (Eweje, & Sakaki, 2015). In other words, CSR is used as a strategic approach, creating competitive differentiation through coagulation of business and global social goals. More and more organizations believe the goodwill CSR activities generate confers strategic competitive advantage and fosters sustainable development (Ramesh, Saha, Goswami & Dahiya, 2019). In this regard, CSR meets specific sustainable development challenges (Siltaoja 2014). Moreover, there is reason to believe that business, governments and civil society actors will assume equal responsibility for moving forward along a more sustainable path. Likewise, actions aimed at reaching Sustainable Development Goals (SDGs) potentially provide a new way forward for development policy and practice—with emphasis on a broad range of objectives and targets which must be achieved globally by 2030 (Scheyvens et al., 2016).

1.1.3.-Brand image

Brand image, as a concept, is nothing new; in fact, it has been widely discussed in the literature since the late 1970s. The term is defined as the general impression made in the public's mind about a brand (Barich & Kotler, 1991). In other words, image is interpreted as feelings and beliefs about the company that exist in the minds of consumers. Image strongly influences consumer decision-making processes and behaviors by providing mental shortcuts for processing purchasing data (Kotler & Gertner, 2002). The construct is linked to the commercial name, architecture, variety of products/services, tradition, ideology and impression of quality communicated by each employee when interacting with customers (Nguyen & Leblanc, 2002). Such perceptions derive both from individual experiences with the organization and from processing of information regarding the attributes that constitute functional image indicators (Kennedy, 1977).

Brand equity research suggests that building a positive brand image and attitude leads to development (Aaker, 1992). Brand image influences quality-of-product/service perceptions. In this regard, Keller (1993) offers a unique approach to brand image: a manifesto of perceptual beliefs about brand attributes, benefits and attitudinal associations—considered the basis for attitudes toward the brand. In other words, brand image is a holistic construction—the sum of all associations relating to the brand. The author defines brand equity in terms of two components: brand awareness and brand image; a) brand awareness being related to consumer brand recall and recognition, and b) brand image refering to the set of brand associations that consumers keep in memory.

According to Keller (1993), brand image is defined as perceptions of a brand reflected in the brand associations stored in consumer memory. Brand associations are other informational nodes linked to the brand node in memory—and contain the meaning of the brand for consumers. Associations can also be characterized by the strength of connection to the brand node. The strength of the associations depends on how information enters consumers' memory (encoding) and how it is maintained as part of the brand image (storage).

1.1.4.-Reputation

One of the advantages of engaging in CSR practices is that it can boost company reputation (Gardberg & Fombrun, 2006; Heikkurinen, 2010; Babiak & Trendafilova, 2011; Melo & Garrido-Morgado, 2012). In the quest for new ways to help professionals enhance their firm's reputation, academics have focused attention on the benefits of CSR reports disclosing activities by companies displaying economic, social and environmental concerns in their commercial actions and interactions with stakeholders (Aguinis & Glavas, 2012). In this regard, scholars have argued that transparent CSR reporting is part of the ethical company-stakeholder dialogue—helping to legitimize corporate behavior; hence, contributing to building a positive corporate reputation (Michelon, 2011).

Social and environmental performance are significant factors in ranking corporate reputation (Bebbington, Larrinaga-Gonzalez & Moneva-Abadia, 2008). Consumers prefer socially responsible companies (Maignan & Ferrell, 2001)—and place significant value on being associated with reputable companies (Roberts & Dowling 2002; Heikkurinen, 2010). The literature has been exploring CSR perceptions regarding corporate reputation and brand value, although it is widely accepted that CSR has an impact on corporate reputation (Hsu 2012).

1.1.5.-Financial value

Many studies have focused on the relationship between CSR and financial performance (Callan & Thomas, 2009; Petrenko, Aime, Ridge & Hill, 2016)—finding that CSR has a positive impact on both company performance and market value (Schadewitz & Niskala, 2010; Wiengarten, Lo & Lam, 2017).

Companies implement a range of actions aimed at fostering financial growth. Such actions may be owing to managers' firm belief in the principles of good governance; or they may spring from expected positive returns on new practices—or greater worker satisfaction, hence, the possibility of attracting or retaining talent—among other factors that impact financial value of firms (López-Perez et al., 2017).

1.2.-RESEARCH QUESTIONS AND OBJECTIVES

The ideas raised thus far serve as a conceptual framework for developing this doctoral thesis. A significant gap has been identified in the literature: a lack of research analyzing CSR implementation in emerging markets—specifically in the LATAM sphere. Thus, the objective of the present study is to respond to several questions and research objectives, comprised in each of the empirical chapters.

The first study explores the potential links between CSR and financial value in emerging economy contexts. The objective is to analyze the impact of CSR on financial value in emerging economy contexts, from the perspective of managers, since they are in charge of effective company operation and administration. Likewise, the extent to which reputation and brand image impact the CSR-financial value relationship is assessed, given that these factors can have key intangible value for companies. Secondly, whether degree of economic development or existence of cross-cultural factors have an impact on the proposed relationships is determined. Finally, the potential moderating role of factors like company size and sector, and manager training, are analyzed.

The second investigation analyzes the extent to which CSR moderates the link between consumers and brands in emerging markets. The impact of connection with the brand on both consumer loyalty and willingness to recommend company products is also determined: i.e., word of mouth (WOM). Finally, the potential impact of a number of sociodemographic variables on said patterns is analyzed: e.g., income and education. Hence, the role of consumers as co-responsible for sustainable development in emerging economies is studied. This second study is divided into two main blocks: the first, consisting in the general model analyzing how CSR may influence loyalty, as well as the potential moderating effects related with customers´ demographic characteristics, while the second, explicitly analyzes the link between CSR and WOM.

The last section of the thesis provides a summary of the research presented in the ensuing chapters; moreover, our contribution to theoretical and practical knowledge is outlined and key objectives for each study highlighted. At this juncture, we wish to highlight that our first study has already been published in the Q1-rated journal, *Sustainable* Development; our second study has given rise to two articles published in the journals *Corporate Social Responsibility and Environmental Management* (Q1) and *Sustainability* (Q2).

1.3.-CONTRIBUTION TO KNOWLEDGE

The present research contributes to both academic and business knowledge, addressing relevant variables for management facing new challenges in new times. The links between CSR and loyalty, word of mouth, emotional brand engagement, self-brand connection, financial value, brand image and company reputation in emerging markets—the Peruvian market, in particular—are analyzed from a causal perspective.

The results obtained from this research not only pertain to the academic field; they are of interest to business, institutional and public administration spheres as well. We believe the presence of CSR is crucial to a harmonious conception of companies and society. On one hand, companies must stay true to their mission and vision; on the other, society must enjoy a state of well-being. Both spheres, therefore, must be in equilibrium.

With a view to reach our research objectives for this doctoral thesis, a four-block structure is presented—coinciding with each of the main chapters.

1.3.1.-Study 1

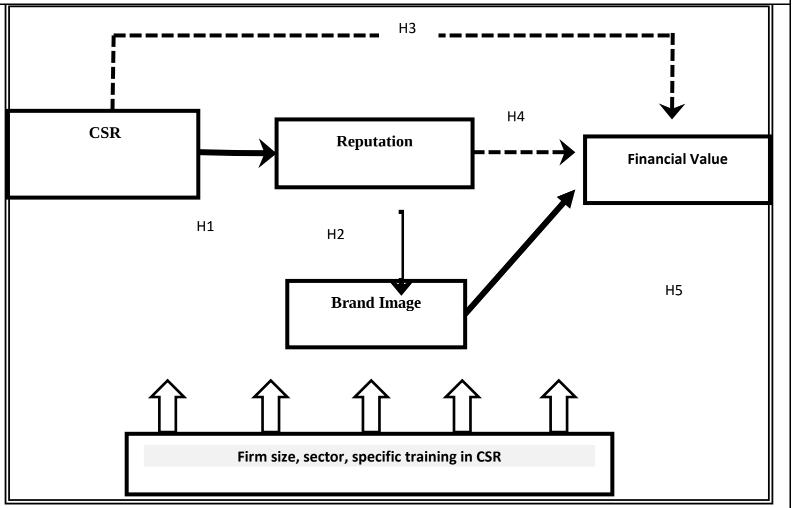
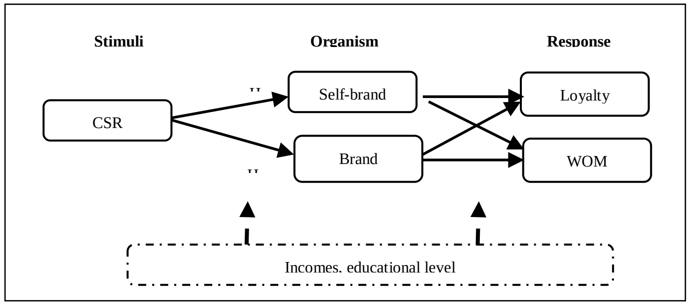
The aim of our study is to analyze the impact of CSR on corporate reputation, brand image and sustainable financial value in the context of an emerging economy: Peru. To this end, the PLS technique was used to perform quantitative data analysis of a sample of more than 200 managers of Peruvian companies. The study is rooted in Social Capital Theory and Resource Theory models. It was found that, in emerging economy contexts, there is a lack of direct relationships linking CSR and company financial value. We also find that size moderates this trajectory, while sector of activity does not moderate the causal model. The study is groundbreaking insofar as it explores the impact of sustainability on financial value from the perspective of managers in an emerging economy context.

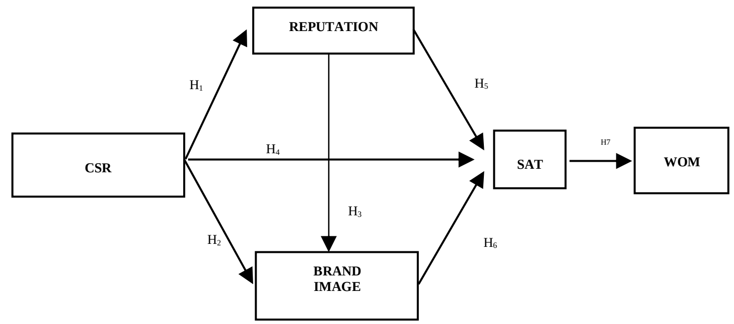
1.3.2.-Study 2

This study examines the influence of CSR on consumer connections and links with the brand. The Stimulus-Organism-Response (SOR) model was used on a sample of more than 400 food and beverage consumers in Metropolitan Lima, Peru. We found that CSR acts as a stimulus for consumers to identify and bond with brands—and that, moreover, these links generate repurchase (loyalty) and recommendation (WOM) behaviors which, in turn, generate considerable commercial value. We also analyze how income and educational levels moderate the intensity of these links. Our main contribution to the field is an analysis of the interaction between CSR and branding in the context of an emerging economy.

Finally, in Chapter 5 the main conclusions of the doctoral thesis are presented. Our findings allow us to reflect on possible implications for business management, provide insights to the academy on knowledge gaps and allow us to better understand consumer perceptions. Possible limitations of the research are also discussed and potential lines of future research proposed.

Table 1.1: Objectives of the Doctoral Thesis

	RESEARCH OBJECTIVES	CONCEPTUAL FRAMEWORK
DOCTORAL THESIS	Analyze CSR in an emerging economy context. Identify, from a quantitative standpoint, key related variables from the perspective of managers and consumers.	CSR→Reputation →brand image →financial value/Brand image
STUDY 1 Sustainability, brand image, reputation and financial value: Managers´ perceptions in an emerging economy context. **(Business perspective)**	Analyze the impact of CSR on corporate reputation, brand image and sustainable financial value in an emerging economy context. Assess whether degree of economic development and/or existence of cross-cultural factors have an impact on the proposed relationships. Finally, examine the potential moderating role of factors like training, firm size and sector are analyzed.	
STUDY 2.1 CSR and branding in emerging economies: The effect of incomes and education. **(Consumer perspective i)**	Analyze the influence of CSR on the bonds between consumers and brands in emerging markets. Determine the impact of brand connection on both consumer loyalty and willingness to recommend company products: i.e., word of mouth (WOM). Lastly, assess the potential influence of key sociodemographic variables: i.e., income and education.	

STUDY 2.2 Sustainability and Branding in Retail: A Model of Chain of Effects. **(Consumer perspective ii)**	Analyze the impact of sustainable practices on consumer perceptions regarding corporate reputation and brand image in the retail sector. Determine the extent to which these practices moderate consumer willingness to share favorable opinions about products/brands. Assess consumption patterns in emerging economies.	

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CHAPTER 2: SUSTAINABILITY, BRAND IMAGE, REPUTATION AND FINANCIAL VALUE: MANAGERS´ PERCEPTIONS IN AN EMERGING ECONOMY CONTEXT

Abstract

Sustainability has become a fundamental concern in today' world—one which firms can no longer remain oblivious to. Through CSR, companies can shore up financial sustainability by acting in responsible, socially and environmentally sustainable ways. Yet the vast majority of literature addressing this phenomenon to date has focused almost exclusively on developed economies. The objective of the present study, therefore, is to contribute to filling this gap by analyzing the potential impact of CSR on sustainable financial value in the context of an emerging economy, Peru. To this end, we used the PLS technique to carry out quantitative analysis of data from a sample of over 200 managers at Peruvian companies. Our model is based on the premises of Social Capital Theory and Theory of Resources. Specifically, we analyze the extent to which CSR impacts corporate reputation, brand image and financial value in the context of an emerging economy. Our data indicate that—unlike more developed economies—in emerging economy contexts, direct relationships linking CSR and company financial value are lacking, though may occur by way of the path CSR > reputation > brand image > financial value. We also find that size moderates this path, while the sector of activity does not moderate the causal model. Hence, we suggest that both the cross-cultural component and differing degrees of economic development and market maturity affect the perceived impact of CSR on financial value. The present study is pioneering in that it analyzes the impact of sustainability on financial value from the perspective of managers in an emerging economy context. Key theoretical and practical implications of our findings are provided in the final section of the paper.

Key words: brand image, CSR, emerging economy, financial value, reputation, sustainability

2.1.-INTRODUCTION

Sustainability is a growing concern today and demands for socially, environmentally responsible models of public and private management are on the rise (Eweje & Sakaki, 2015; Halisçelik & Soytas, 2019; Song, Ren, & Yu, 2019; Ukko et al., 2019). Both governments and civil society actors are seen as equally responsible for moving down a more sustainable path towards the future (Ararat, Colpan, & Matten, 2018; Garrido-Miralles, Zorio-Grima, & García-Benau, 2016). A clear example is the popularity of the global UN Sustainable Development Goals (SDGs) for 2030 (see, e.g., Halisçelik & Soytas, 2019) endorsed by a large number of companies, educational institutions, NGOs and other entities: a "call for action by all countries—poor, rich and middleincome—to promote prosperity while protecting the planet. […] They recognize that ending poverty must go hand-in-hand with strategies that build economic growth and address a range of social needs including education, health, social protection, and job opportunities, while tackling climate change and environmental protection" (www. un.org/sustainabledevelopment). Striving to meet SDGs provides firms with new ways to show they are committed to sustainable development—both in policy and practice.

In today's ultra-competitive markets, commitment to sustainability is a fundamental factor behind the success or failure of many companies. In such a context, firms must find ways to legitimize their activities—and CSR can play a key role in this quest (Katmon et al., 2019; Aguilera & Guerrero, 2018; Sidhoum & Serra, 2018; Mathis, 2007). CSR fosters sustainable practices and policies such as transparency, responsible corporate governance, and building and maintaining respectful relationships with suppliers, customers and local communities (Ukko et al., 2019); thus, embracing CSR can contribute to building a positive brand image (López-Pérez, Melero, & Sese, 2017a), reinforcing corporate reputation (Aguilera & Guerrero, 2018)—hence better market positioning (Schmidt et al., 2018)—and sustainable competitive advantage (Khan, Yang, & Waheed, 2019; Ramesh et al., 2019; Song et al., 2019).

In short, financial prosperity independent from commitment to social and environmental problems is no longer acceptable in many contexts (Sidhoum & Serra, 2018; Ukko et al., 2019). Firms today are expected to empathize with society's concerns and commit to effective CSR actions (Porter & Kramer, 2006)—yet, in doing so, they stand to reap benefits in the form of enhanced business outcomes (Bacinello, Tontini, & Alberton, in press; López-Pérez et al., 2017a; Martínez-Ferrero & Frías-Aceituno, 2015). Hence, more and more companies, regardless of size or sector, are incorporating concepts like sustainability and CSR in their management models (López-Pérez et al., 2017a; Song et al., 2019).

The literature on this phenomenon is very prolific, analyzing the potential impact of CSR on business management and covering a wide range of contexts: from the United States (Block & Wagner, 2014) to Japan (Eweje & Sakaki, 2015), Austria (Gelbmann, 2010), Sweden (Ählström & Egels-Zandén, 2008) and Spain (López-Pérez et al., 2017a; López-Pérez, Melero, & Sese, 2017b). Far fewer studies, however, have shed light on emerging economies—China being the most popular (Nordensvard, Urban, & Mang, 2015; Song et al., 2019)—and there is no evidence of research explicitly addressing potential links between CSR and financial value in emerging economy contexts. Emerging economies are vital in an increasingly globalized world in terms of natural resources, population and consumption trends, among other aspects. We believe that production and economic growth models based on the principles of sustainability can contribute to improving average standard of living, reducing social differences and making more responsible use of natural resources. Moreover, we believe both the perception of CSR and CSR management models may be determined by degree of economic development and crosscultural factors. Hence, in-depth analysis of potential links between CSR and financial value in emerging economy contexts is justified.

The underlying aim of our study is, primarily, to analyze the impact of CSR on financial value in emerging economy contexts, from the perspective of the managers—as they are in charge of effective operation and management of firms. We also assess the extent to which reputation and brand image impact the CSR-financial value relationship, as these factors may hold key intangible value for firms. Second, we aim to determine whether the degree of economic development or the existence of cross-cultural factors have an impact on the proposed relationships. Finally, the potential moderating role of factors such as firm size, sector and training is analyzed.

To fulfill these objectives—and contribute to filling the gap in the literature—we propose a quantitative analysis of manager perceptions in an emerging economy context: Peru. Peru has been classified as an emerging economy according to the annual Morgan Stanley Capital International (MSCI) ranking based on the most important stock indexes (2019). The numbers reveal Peru's attractiveness and vast potential in terms of international trade: one of Latin America's fastest growing economies in recent years, third in Latin America in the Institute for Management Development 2018 global competitiveness ranking (behind Chile and Mexico) and, in just over 15 years, Peru's GNI per capita has tripled from $2,010 in 2000 to $5,970 in 2017 (The World Bank, 2019).

The conceptual framework proposed in López-Pérez et al. (2017a, 2017b), on the impact of CSR in Spain, a developed economy, serves as our reference model. According to UN Human Development Index rankings for 2018, Spain's economy ranks 26th in the world (HDI = 0.891); Peru's economy ranks a distant 89th (HDI = 0.750). While shared history and a common language would, a priori, seem to anticipate certain cultural similarities between Spanish and Peruvian contexts, divergence in Hofstede's cultural dimensions scores for the two countries—especially in terms of individualism–collectivism (Spain: 51; Peru: 16) and long-term orientation (Spain: 48; Peru: 25)—suggest the contrary: Peru is defined as a collectivist culture, displaying short-term orientation; Spanish society, on the other hand, is generally more individualistic, displaying longerterm orientation. Hence, our study will contribute to the sustainability literature by adding both an economic development and a cross-cultural component. From a practical standpoint—insofar as we establish positive correlations between CSR and financial value—we can aid in boosting presence and bettering management of CSR in emerging economies, while fostering business policies and practices which are compatible with economic, social and environmental sustainability.

The following section of the paper provides a literature review for our main concepts of reference (i.e., CSR, reputation, brand image) with an impact on financial value. The third section presents our conceptual framework for empirical research, based on Social Capital Theory and Resource Theory—along with our hypotheses. Next, technical fieldwork data, our data validation process and study results are provided. We close out the paper with a theoretical discussion, implications for business practice and conclusions.

2.2.-CONCEPTUAL FRAMEWORK: CSR, REPUTATION AND BRAND IMAGE

Porter and Kramer (2006) define CSR as a set of economic, social and environmental sustainability principles which companies implement voluntarily, regardless of existing regulations. Once these core dimensions have been guaranteed, these authors add a fourth dimension: philanthropy. Worth noting here is the voluntary nature of CSR— together with the fact that this conception coincides with another definition, in this case from an institutional source.

The European Union defines CSR as a concept by way of which organizations voluntarily integrate social and environmental aspects in their operations and interactions with their stakeholders.

CSR actions may be driven by a firm belief on the part of owners and/or managers in the principles of sustainability and good governance; and/or CSR may be adopted in anticipation of a positive return in the form of lower production costs, higher sales, greater employee satisfaction and the potential to attract and retain talent—among other factors that stand to impact financial value (López-Pérez et al., 2017b). Hence, CSR can be an indicator of company commitment and orientation, above and beyond purely economic and commercial interests (Maignan, 2001; Pomering & Dolnicar, 2009). Whichever the case, firms hold themselves accountable for their activities and their impact on society—and this has a positive impact on stakeholder perceptions. Hence, CSR-based practices help achieve business objectives efficiently, while at the same time contributing to the well-being of society as a whole (Goyal & Kumar, 2017).

Growing global concerns such as environmental degradation, corruption and exploitation in the workplace, among others, have driven heightened awareness and sensitivity towards sustainability—hence good feeling towards CSR. Many consumers prefer socially responsible firms and value being associated with companies boasting a good reputation; this is especially so in developed economies and mature markets (Heikkurinen & Ketola, 2012). More and more, companies are taking note, piquing a growing interest and increasing efforts to implement CSR principles and actions at the core of business policy and practice.

The literature has shown that firms can benefit from embracing CSR—not only in terms of consumer awareness, sense of attachment and favorable attitudes towards the company but through building a robust reputation and positive corporate image as well (Bhattacharya & Sen, 2004; López-Pérez et al., 2017a; Melo & Garrido-Morgado, 2012). Smith (2013) is a case in point, indicating that consumers' willingness to buy or recommend a product is almost 60% due to their perceptions of the company—and that almost 50% of consumer feeling towards the firm can be explained by perceptions relating to CSR and company commitment to it. Yet, while the literature confirms that there is a positive correlation between CSR, business reputation and brand image (Hsu, 2012; Lai et al., 2010) in developed economy contexts, there are no empirical studies to date analyzing how managers in emerging economies perceive CSR’s impact on reputation, brand image or financial value.

Reputation is defined as a perception representing the organization—and differentiating it from the competition—based on past actions and projecting into the future insofar as it serves to predict future behavior (Fombrun, 1996; Lai et al., 2010; Martínez & Rodríguez del Bosque, 2016). A robust reputation built on consistent CSR actions over time can generate significant competitive advantage for a firm (Orlitzky, Siegel, & Waldman, 2011). Something similar occurs in the case of brand image, described as the utility or added value that the brand brings to a product (Hur, Kim, & Woo, 2014). Brand image reflects associations to the brand held in consumer memory. Business image has an impact on customer perceptions regarding company operations (Kang & James, 2004). CSR contributes to creating a positive brand image and drives favorable consumer attitudes towards a company's products (Sen & Bhattacharya, 2001; Torres et al., 2012).

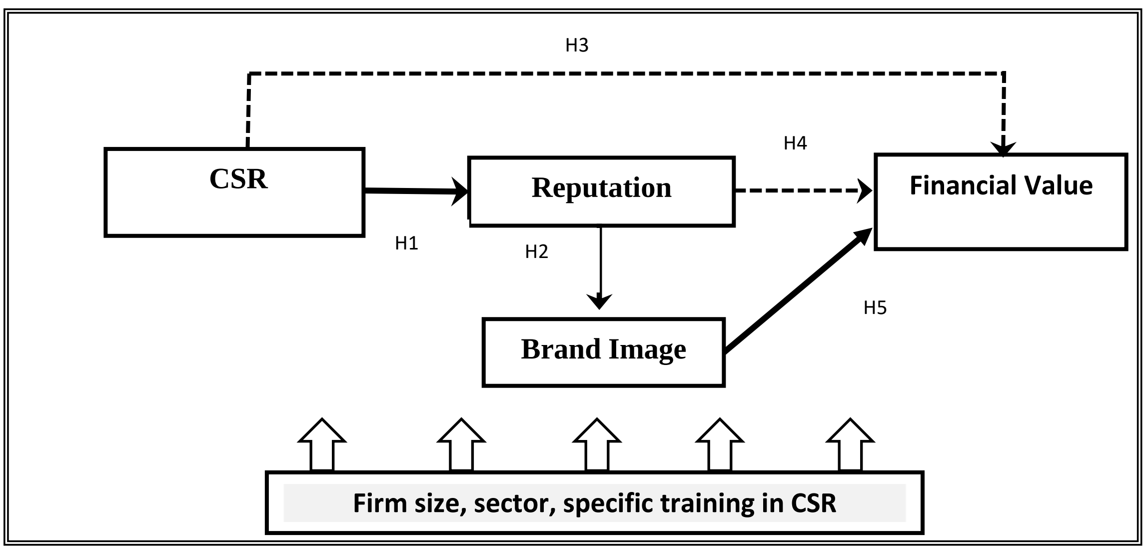
From a theoretical standpoint, the literature suggests that Social Capital Theory (Putnam, 2000; Sen & Cowley, 2013) and the Resource-Based View (RBV; Barney, 1991) aid in understanding CSR's impact on reputation, brand image and financial value. According to Social Capital Theory, CSR can be interpreted as a sign of transparency and benevolence. Sen and Cowley (2013) indicate that social capital refers to the extent to which company values meet the standards and expectations of society. CSR fosters cooperation and information sharing, thus building relationships of trust among stakeholders. Moreover, transparency—coupled with behavior aligned with social standards—leads to a positive company image when firms are committed to sustainability. CSR can act as a spokesperson, transmitting company values and legitimizing its activity (Putnam, 2000; Ostrom, 1991; Aksak, Ferguson, & Duman, 2016).

According to the tenets of the RBV (Barney, 1991)—defining companies as possessing a mix of strategic resources (i.e., assets, capabilities and competencies)—both reputation and brand image would be conceived of as imperfectly imitable or costly to imitate intangible assets, essential to differentiation and delivering sustainable competitive advantage (Galbreath, 2017; Khan et al., 2019)—which, in turn, will have a positive impact on company financial value. In short, CSR fosters a climate of trust between companies and stakeholders (i.e., consumers), creating a framework to guarantee the viability and sustainability of business down the road (Fombrun, 1996). In a similar vein, López-Pérez et al. (2017a, 2017b) show—from the perspective of RBV—that company size and specific CSR training for managers moderate the interrelationships between CSR, reputation, brand image and financial value. The potential moderating role of sector was not assessed, however. In this study, we analyze both company size and sector as potential moderators.

2.3.-HYPOTHESIS DEVELOPMENT

Our conceptual framework aims to analyze the potential relationships between CSR, reputation, brand image and financial value in the context of an emerging economy, Peru. As discussed in the previous section, we based our analysis on Social Capital Theory and the resource-based view (RBV) with a view to establish significant correlations between the proposed variables. We conceive of CSR as potentially helping to both reinforce and validate company reputation and brand image in the eyes and minds of consumers (CSR as social capital); hence, CSR becomes a high value intangible asset which—when implemented at the core of company strategies and values—is very costly to imitate (CSR as a resource). We take the conceptual framework in López-Pérez et al. (2017a, 2017b) as our reference—proposing direct relationships linking CSR, reputation and brand image with financial value, as well as an indirect path linking CSR and financial value by way of CSR's impact on reputation and brand image. Moreover, our study also analyzes the potential moderating role of company size and sector variables, as indicated in the previous section. Figure 2.1 displays our conceptual framework; all hypotheses are formulated below.

Figure 2.1: Conceptual framework



2.3.1.-CSR as an antecedent to reputation and brand image

López-Pérez et al. (2017a, 2017b) suggest positive correlations between CSR and reputation and CSR and brand image. Both reputation and brand image are considered to be high value intangible assets for firms (Cowan & Guzman, 2019). Many CSR actions are perceived by stakeholders as a sign of an organization's favorable attitude towards sustainability and generate positive feelings and attitudes towards the company in turn (Torres et al., 2012). Authors like Park, Lee, and Kim (2014) affirm that CSR builds and nurtures consumers' trust in a company, which will, in turn, bring about positive or enhanced perceptions of the firm. Therefore, CSR seems to have a positive impact on company reputation (Aksak et al., 2016; Park, 2019; Zhou & Ki, 2018).

Moreover, a company's reputation is directly linked to its brand image (Brickley, Smith, & Zimmerman, 2002; Lai et al., 2010). And as we indicated earlier, positive consumer perceptions with respect to CSR activities are the cornerstone of robust reputations (Aguilera & Guerrero, 2018), which, in turn, can have a positive impact on brand image (Cowan & Guzman, 2019; Torres et al., 2012). Optimal commitment to CSR may reflect itself in better brand positioning and differentiation (Banerjee & Wathieu, 2017)—and many consumers value reputation, built up over time through CSR, as a critical factor in their positive perception of a given brand (Brammer & Millington, 2005; Ferrell et al., 2019; Lai et al., 2010; Torres et al., 2012). Hence, based on the foregoing arguments, we propose our first two hypotheses:

Hypothesis 1: *CSR has a positive impact on positive corporate reputation.*

Hypothesis 2: *Positive corporate reputation has a positive impact on positive brand image.*

2.3.2.-CSR and financial value

CSR actions tangibly demonstrate a company's degree of commitment to economic, social and environmental sustainability (Bacinello et al., in press; Schmidt et al., 2018). Likewise, in seeking to minimize environmental impact, CSR fosters more efficient production processes— minimizing operating costs—opens up channels to better sources of funding, helps attract and retains talent and boosts market positioning, among other positive effects (Van de Ven & Jeurissen, 2005).

Hence, recent studies defend a direct, positive relationship linking CSR and financial value (Du, Bai, & Chen, 2019; Price & Sun, 2017; Song et al., 2019). In addition, a robust reputation helps deliver sustainable competitive advantage in terms of competition, branding and product differentiation (Banerjee & Wathieu, 2017). When consumers perceive a good fit between their values and concerns and a firm's CSR policy and practice, positive pro-company behaviors prevail—that is, increased intent to purchase, willingness to pay higher prices, and so forth (Baskentli et al., 2019; Torres et al., 2012). In such a scenario, both reputation and brand image become valuable assets for firms, positively impacting financial value (Parastoo-Saeidi et al., 2015). These arguments allow us to put forth our second and final set of hypotheses:

Hypothesis 3: *CSR has a positive impact on financial value.*

Hypothesis 4: *Positive company reputation has a positive impact on financial value.*

Hypothesis 5: *Positive brand image has a positive impact on financial value.*

2.3.3.-Potential moderating variables: size, sector and CSR training

We have also pointed out that—from an RBV standpoint—company size could potentially play a moderating role in the proposed relationships: the larger the firm, the more resources we can expect to be allocated towards implementing CSR actions and communicating them to stakeholders. Hence, as López-Pérez et al. (2017a) suggest, we postulate that links between variables in our conceptual framework will be stronger in the case of larger companies.

With regard to sector, we have no evidence of previous studies analyzing this variable as a potential moderator in the proposed relationships. Hence, we propose an analysis of sector as a potential moderator, with an exclusively exploratory purpose in mind.

Regarding the specific CSR training for managers variable, while López-Pérez et al. (2017b) suggest that more specific CSR training will strengthen the links between proposed relationships, we are unable to provide analysis in this case due to the negligible number of managers in our sample who affirm having received such training, as mentioned earlier in this paper.

2.4.-RESEARCH METHODOLOGY

To test the proposed hypotheses, we conducted our study in the context of Peru, classified as an emerging economy. Divergences in Hofstede's cultural dimensions scores for Peru with respect to scores for Spain—a developed western economy and context of reference in López-Pérez et al. (2017a) (see section 1)—justify our choice of Peru as an emerging economy context. Our sample population is made up of managers at Peruvian firms. The "Peru Top 2018"—register containing contact details for the 10,000 most important companies in Peru—provided us with the contact details for a random selection of 1,000 CEOs. The questionnaire was sent by e-mail, accompanied by telephone calls to remind respondents of the purpose of the study and the importance of providing fully completed questionnaires. Two hundred and nineteen valid questionnaires were received, making for a 21.9% response rate. Table 2.1 provides the technical data for our fieldwork.

A questionnaire was adapted from previously validated, contrasted scales to measure each of the constructs (see Appendix 2.A). As we are taking as reference the conceptual framework proposed by López-Pérez et al. (2017a) we took the set of scales included in said research as our reference. These authors took the scales put forth in Hur et al. (2014), Du, Bhattacharya, and Sen (2010) as their reference for Corporate Social Responsibility (CSR). Reputation (REP) was measured using the proposals found in Martínez and Rodríguez del Bosque (2016) and Lai et al. (2010). For brand image (B IMAG), we applied the scales in Hur et al. (2014), Hsu (2012) and Yoo and Donthu (2001). Lastly, financial value (F VALUE) was measured using the scales proposed by Torugsa, O'Donohue, and Hecker (2013) and Lai et al. (2010). The questionnaire also included questions regarding company size (number of employees), sector and specific CSR training for managers.

All the constructs included in this study can be considered as design constructs or artifacts; that is to say, human-made instruments theoretically justified and typically created by managers and staff in companies (Henseler, 2017). Since such artifacts are shaped from a series of elementary parts or components which are combined to form a new entity, Henseler (2017) suggests modeling them as composites. Since we aim to estimate a model of composites to analyze the proposed framework, a structural equation modelling technique was employed using partial least squares (PLS) (SmartPLS v. 3.2.7) (Rigdon, Sarstedt, & Ringle, 2017; Sarstedt et al., 2016).

Table 2.1: Technical fieldwork data

Universe	Managers, Peruvian firms
Sample size	219
Geographical scope	National, Perú.
Sampling method	Random sample
Fieldwork calendar	October-November, 2018
Data analysis	PLS software (SmartPLS 3.2.7)

With the objective of evaluating the quality of the data, we carried out an individual reliability analysis of each item relative to its construct. All resulting values exceed the threshold of 0.707 required by Carmines and Zeller (1979). The same was found when assessing the reliability of the variables using Cronbach's alpha and composite reliability. Appendix 2.A shows that all constructs are reliable, as they exceed the reference value of 0.8 for each index (Nunnally, 1978). The convergent validity was assessed by using the average variance extracted (AVE), which, according to Fornell and Larcker (1981), must exceed 0.5. As such, over 50% of the construct variance was found to be due to recommended indicators. Appendix 2.A shows that, in all cases, the reference value is exceeded. The existence of discriminant validity was validated applying the comparison of the square root of AVE against correlations (Fornell & Larcker, 1981) (see Appendix 2.B). Finally, our proposed framework is a good fit given that the GOF value (0.613) is higher than the reference value of 0.4 proposed by Tenenhaus et al. (2005).

2.5.-RESULTS

2.5.1- Causal Model

In relation to the structural model, a bootstrap analysis was performed to assess the statistical significance of all loadings and path coefficients. We created 5,000 subsamples, employing t-Student distribution with 4999 degrees of freedom (N – 1, where N = number of subsamples), obtaining the values t(0.05; 4999) = 1.64; t(0.01; 4999) = 2.32; and t(0.001; 4999) = 3.09. From these values, we determined the acceptance or rejection of our hypotheses (see Table 2). With regard to explained variance of the endogenous variables (R^2), the model shows adequate predictive power since all of the endogenous constructs achieve an explained variance greater than 0.1, the reference value established by Falk and Miller (1992).

The data in Table 2.2 show that there is a significant, positive correlation between CSR and reputation. Hence, we can confirm H_1. Additionally, reputation shows a significant link to brand image (H_2). However, we are not able to accept H_3, since a significant correlation between CSR and financial value cannot be confirmed. H_4 cannot be accepted, since reputation does not have a significant impact on financial value. The only significant antecedent of financial value is brand image—allowing for acceptance of H_5.

Table 2.2: Structural model results

Hypothesis	B	t-value	R^2
H_1: CSR → REP	0.685***	9.967	0.470
H_2: REP → B IMAG	0.780***	14.679	0.608
H_3: CSR → F VALUE	0.148 (NS)	1.117	
H_4: REP → F VALUE	0.090 (NS)	0.702	
H_5: B IMAG → F VALUE	0.603***	4.146	0.409

******* When the t value obtained by the Bootstrap technique exceeds T Student value t (0.001, 4999) = 3.09, the hypothesis is accepted with 99.9% significance. **NS**: Not significant

2.5.2.-Moderating variables

Multigroup analysis tests the null hypothesis that the path coefficients between two groups are not significantly different. To assess the potential moderating role of size and sector variables, we carried out a multigroup analysis where each variable presents a categorical profile—in our case, two categories for each of the variables: small and medium vs. large companies for the size variable, and industrial/secondary vs. service/tertiary for the sector variable.

Following guidelines proposed by Hair et al. (2018) and Hair et al. (2014), the first step was to analyze β-value differences between the subsamples. For both groups, the data suggested potential differences in means, relating to both size and sector; yet, to corroborate these indications, a second step is needed: assessment of the significance of the identified potential differences

(Cambra-Fierro, Pérez, & Grott, 2017; Chin & Frye, 2003; Keil, Tan, & Wei, 2000). To this end, a t test was calculated for both variables. When we compare results from bigger and smaller firms, we observe that H_3 and H_4 are not significant in all subsamples. However, H_1, H_2 and H_5 are stronger for the bigger firms subsample than for smaller firms. These results seem to suggest that bigger firms may have more resources to intensify the effect of CSR. But when we analyze the effect of sector, differences between subsample means were not statistically significant. In other words, our data indicate that—in the Peruvian context—only size moderates the proposed relationships, but sector does not moderate the intensity of any hypotheses.

This leads us to believe we are dealing with a relatively homogeneous context in terms of the presence and perception of CSR, only moderated by the effect of size. Our assumption is reinforced by the negligible number of managers who affirm having received specific CSR training. Our study suggests, therefore, that aspects such as degree of economic development, size, market and consumer maturity—together with certain cross-cultural factors—do indeed clearly impact the CSR presence, management and perception.

2.6.-DISCUSSION AND CONCLUSIONS

Sustainability is a key concept, sparking more and more interest among a range of interest groups (Halisçelik & Soytas, 2019; Song et al., 2019; Ukko et al., 2019). As a result, an increasing number of companies are showing interest in adopting sustainable management approaches—with a view to improve and/or consolidate competitive position (Ramesh et al., 2019; Schmidt et al., 2018), legitimize activity to different interest groups (Aguilera & Guerrero, 2018) and shore up a series of positive outcomes (Khan et al., 2019; Song et al., 2019). In this line, this study was designed with the core goal of assessing the contribution of CSR to financial value—either through a direct correlation or indirectly, via the impact of reputation and brand image—from the perspective of managers in an emerging economy context. Our results indicate that these relationships are fulfilled—though via a different path than n developed economy contexts. Hence, we observe that in increasingly globalized environments, the impact of cross-cultural aspects must be considered.

Emerging economies, by definition, refer to contexts with lower levels of economic development but which are experiencing a positive evolution in their development indicators. Hence, understanding how managers in emerging economies perceive CSR—whether CSR is valued and to what degree—is essential to an assessment of the extent to which sustainability-compatible actions can be carried out effectively in these contexts.

Our review of the literature revealed that most studies looking at links between CSR and financial value focus on developed economy contexts (e.g., Ählström & Egels-Zandén, 2008; Block & Wagner, 2014; Eweje & Sakaki, 2015; Gelbmann, 2010)—with the exception of China, for which a growing interest has been reflected in the literature (e.g., Nordensvard et al., 2015). Hence, there is a significant gap in the literature with respect to CSR in emerging economies contexts. With a view to contribute to filling this gap, we adopted an intuitive, easy-to-grasp conceptual framework proposed by López-Pérez et al. (2017a, 2017b)—on the impact of CSR in Spain, a developed western economy—as a reference for our analysis of the Peruvian context. While shared history and a common language would seem to anticipate certain similarities between the two contexts, divergent Hofstede cultural dimensions scores for Spain and Peru pointed to potential differences. Hence, we defend the fit of replicating the Spanish model in the Peruvian emerging economy context.

After comparing data from both studies, we can confirm that CSR has an impact on company financial value—in line with the Theory of Resources (Barney, 1991), inasmuch as CSR is considered to be an intangible asset capable of delivering sustainable value over time (Khan et al., 2019). However, we observe that the results are divergent—both with respect to direct relationships linking CSR and reputation with financial value and in the case of the indirect relationship path CSR > reputation > brand image > financial value. While in the Spanish context the CSR-financial value and reputation-financial value relationships are significant, the same cannot be said for the Peruvian context. On the other hand, the brand image-financial value relationship is not significant in the Spanish context—unlike in Peru, where a significant, direct link between brand image and financial value allows us to establish the indirect impact of both CSR and reputation on financial value. This is most likely due to Hofstede's long-term cultural dimension, where Peru ranks low. Sustainability and CSR are linked to reputation, hence to long-term variables. Finally, we find it interesting that size moderates the intensity of some hypotheses while—contrary to our initial assumption—sector does not appear to play a moderating role in the Peruvian context.

These findings could be explained by the degree of economic development, market maturity and/or consumer consciousness and sensitivity and towards sustainability and CSR (Gericke et al., 2019). In emerging economy contexts, a substantial percentage of the population still falls below the poverty line or have low awareness and poor perceptions on sustainability—rendering factors such as company reputation built on CSR actions insignificant. For many Peruvians, concepts like sustainability are either not known or not relevant; they may exhibit simpler purchasing patterns—the supply of affordable commodities being their greatest concern. Product differentiation via brand image, on the other hand, is decisive in terms of determining consumer attitudes and behaviors—explaining why CSR will only impact financial value insofar as CSR actions better market positioning and brand image.

In developed economy contexts, on the contrary—with higher per capita incomes—often many basic needs have been met. Hence, consumers tend to value other aspects relating to moral issues, social recognition and self-concept—for example, sustainability, reputation and fair business practices. These are more competitive markets where differentiation often depends upon complex, consumer-bound factors such as the reputation of being a good corporate citizen—built on sustainable production processes, honest tax-paying behavior and respectful human resource practices, among other aspects. This is in line with Social Capital Theory (Katmon et al., 2019; Putnam, 2000; Sen & Cowley, 2013) which defends that such policies and practices validate corporate activity and positively impact financial value.

Based on the above discussion, we observe that, clearly, in contexts where the market and/or consumers do not value sustainable business practices, it is highly unlikely that managers—concerned with building and making the most of company–customer relationships— will perceive CSR as having a significant impact on financial value. Add to this the near total lack of specific CSR training managers claim to receive in such contexts. Yet, this reality collides head on with the fact that empirical evidence corroborates the importance of fostering sustainable management principles and practice—of making consumers aware of the importance of responsible consumption from responsible brands—if we are to shore up the future not only of companies but of the planet itself. Moreover, as economies develop, we observe that CSR becomes a key factor driving the market positioning of the most successful companies.

In emerging economy contexts, therefore—if orderly, sustainable growth is to be achieved—it is essential for both public and private institutions to channel efforts towards achieving two key goals: on one hand, to foster awareness among consumers regarding the importance of opting for socially responsible products and services—from firms which actively contribute to system sustainability. Large-scale awareness-building campaigns via mass media channels and actions in schools aimed at shaping future generations' attitudes and behaviors can be very effective. That said, if sustainable results over time are the aim, impacting the educational curriculum throughout the different stages—from primary (Asongu & Odhiambo, 2019) through to higher education (Fischer & McAdams, 2015)—is essential (Agbedahin, 2019; Stubbs & Schapper, 2011), in order to raise awareness and influence attitudes towards sustainability and sustainable development. On the other hand, more efforts must be made to provide managers with specific training in CSR—with a view to foster awareness of the wide range of ways in which socially responsible policies and practices can be profitable, for example, lowering costs, boosting sales, motivating employees and other stakeholders, accessing more advantageous sources of financing, and so forth. We refer here to regulated and non-regulated, transversal training targeting all levels of management, aimed at making managers aware of their role in harnessing CSR to capture added value for their firm—and of how to do so effectively (Baumgartner & Winter, 2014; López-Pérez et al., 2017b).

In addition to consumers and managers, there is a third key player in emerging economy contexts; namely, public administrations, national and international institutions and governments. International institutions are responsible for encouraging and moderating multinational discussions on global challenges. They have the voice and tools to alert and the power and sway to put forth roadmaps for global action (i.e., UNESCO's Education for Sustainable Development). Governments are responsible for articulating a legal and regulatory framework as well as for promoting educative systems conducive to making economic development compatible with high standards of living and economic, social and environmental sustainability (Doh et al., 2010). Government policies and actions can be decisive: effective sustainability legislation and regulation, sustainability-friendly tax policies— even subsidizing certain products—are all examples of concrete actions that have a positive impact on manager perceptions regarding the value of implementing sustainable management policy and practices.

Despite the relevance both of our findings and the practical implications of our study, several limitations must be recognized. First, since the study is based on managers' personal opinions, some bias may be present in the data. Given that we replicate work by López-Pérez et al. (2017a, 2017b), the same guidelines for minimizing bias were adopted: guaranteeing respondent anonymity, clarifying the inexistence of correct/incorrect answers and adapting previously validated scales to the context under analysis (Podsakoff, Mackenzie, & Lee, 2003; Podsakoff & Organ, 1986). Second, our sample size is slightly above the benchmark of 200 respondents. While initially this may seem small, the fact that it is a random sample—and similar in size to the population in the study we replicate—makes it more than adequate to effectively meet the proposed objectives.

Finally, our model is likely to include additional variables. While admittedly this was not our initial objective, we believe these variables serve as a solid basis for future research. Replicating our study in other emerging economy contexts would strengthen our conclusions and contribute to identifying additional cross-cultural patterns of interest. Moreover, further research analyzing emerging economy contexts would help flesh out the CSR map and raise stakeholder awareness of the fundamental role CSR policies and practices play in terms of shoring up financial value—in harmony with the principles of sustainability.

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Appendix 2.A. Measurement scales (sources) (Alpha C, CR, AVE)

CORPORATE SOCIAL RESPONSIBILITY (Hur, 2014; Wagner et al., 2009; Berens et al., 2007) **(0.865; 0.903; 0.652)**	**Mean**	**St dev.**
CSR1. I feel my company is socially responsible.	5.48	1.269
CSR2. My company is committed to fostering wellbeing in society.	5.54	1.276
CSR3. We are respectful with the environment.	5.62	1.347
CSR4. Our human resource procedures go above and beyond the legal requirements.	5.45	1.519
REPUTATION (Martínez and Rodríguez-Del Bosque, 2016; Hur et al., 2014; Lai et al., 2010) **(0.893; 0.926; 0.759)**		
R1. I think my firm boasts a good reputation.	5.79	1.275
R2. I think my firm is well known.	5.81	1.27
R3. I think my firm is well respected.	5.42	1.387
R4. In general, I think my firm is reputable.	5.68	1.272
BRAND IMAGE (Hur, 2014; Hsu, 2012; Yoo and Donth, 2001) **(0.939; 0.961; 0.891)**		
B1.My company's logo is easily identified in my environment.	5.61	1.624
B2. My environment is aware of the values our brand communicates.	5.15	1.424
B3. My brand stands out among its competitors.	5.74	1.404
B4. My brand is easily remembered by consumers.	5.8	1.421
B5. People can trust my brand.	6.15	1.178
FINANCIAL VALUE (Torugsa et al., 2012; Lai et al., 2010) **(0.911; 0.934; 0.740)**		
FV1. We have boosted sales, compared to our competitors.	5.62	1.573
FV2. We have grown our market share, compared to our competitors.	5.6	1.49
FV3. We get good returns on our investment, compared to our competitors.	5.49	1.493

Appendix 2.B. Discriminant validity

	B IMAG	CSR	F VALUE	REP
B IMAG	**0.807**			
CSR	0.660	**0.871**		
F VALUE	0.631	0.485	**0.944**	
REP	0.680	0.685	0.482	**0.860**

Numbers along the diagonal axis in bold are the square roots of the AVE for the variables; the rest of the numbers represent construct correlations. All correlations are significant at <0.01 (Fornell and Larcker, 1981).

CHAPTER 3: CSR AND BRANDING IN EMERGING ECONOMIES: THE EFFECT OF CUSTOMERS´ INCOMES AND EDUCATION

Abstract

Sustainable development is a fundamental objective for guaranteeing the future of the planet. Taking into account the impact of emerging economies on the global economy and the scarcity of papers that have considered the effect of CSR initiatives on consumer behavior on those economies, it seems that further research on this issue is necessary. In particular, we analyze the extent to which CSR affects the connection and links of the consumer to the brand (i.e., self–brand connection, brand engagement). The main contribution of the paper to the field is the analysis of the interaction between CSR and branding in the context of an emerging economy. To that aim, and also in a novel way, we use the Stimuli–Organism–Response (SOR) model for a sample of more than 400 food and beverage consumers in Metropolitan Lima, Peru. Our results show that CSR effectively acts as a stimulus for consumers to identify and link to brands and that, in addition, these links generate buy-back (i.e., loyalty) and recommendation behaviors (i.e., WOM) which, in turn, create a great commercial value for companies. This research also analyses how incomes and educational levels moderate the intensity of such links. For practical implications, global trends in managing CSR and branding may be useful, although some cross-cultural and context-specific adaptations are necessary

Keywords: brand engagement, CSR, educational level, emerging economy, sustainability

3.1.-INTRODUCTION

Over the last decades, the concept of corporate social responsibility (CSR) has been widely spread throughout the world (i.e., Bacinello, Tontini, & Alberton, 2020; Luke, 2013; Moon, 2007). In a broader sense, its aim is twofold: the first one is to examine the role of business in society, and the second one is to reach the highest contribution of the business activity to the society as a whole. The later becomes more important in the current context of globalization in which factors such as poverty, inequality, and environmental problems make it difficult for economic development to flourish in a sustainable way (Sharma, 2019).

In this scenario, society is increasingly acquiring the need to preserve the planet's resources for future generations and all stakeholders must contribute to this new social consciousness (Achrol & Kotler, 2012; Hur & Kim, 2017). Nave and Ferreira (2019) and Ukko, Saunila, Rantala, and Havukainen (2019), among others, point out that companies are assuming their responsibility to ensure the economic, social, and environmental sustainability of their activity. To do so, they must align themselves with the global development priorities to help achieve SDGs (Sustainable Development Goals) agreed within the United Nations (UN) in 2015 and adapted in 2017.1 This behavior broadens the role of business in society beyond profit maximization and wealth creation. Furthermore, the role that CSR activities can play can be seen as a differentiating factor.2 In fact, we can currently find examples of firms engaged in CSR activities such as the Sustainable Agriculture Initiative at Nestlé (SAIN)—an initiative to support farmers and promote sustainable development worldwide. SAIN focuses on a broad range of commodities including milk, coffee, and cocoa, and enables Nestlé to address some key challenges in water management and irrigation.

Another example is the initiative—Advance 2017— launched by The Coca-Cola Company on six major axes: its beverages, packaging, society, climate change, water, and sustainable agriculture.

Already more established in developed countries, CSR has become increasingly important also for firms in emerging economics— see, for instance, Sharma (2019) for a broad discussion. Although extensive research has been done on CSR in developed economies, much less is known about CSR in the emerging economies. As such, if we consider that CSR plays a key role in stimulating sustainable development, the limited understanding of CSR in those economies raises interesting questions about the perception and impact of CSR activities on emerging markets. Moreover, if we take into account the fact that, over the last decades, emerging economies have experienced an increasing share in world GDP since they have accounted for almost two-thirds of the world's GDP growth and more than half of new consumption. Thus, analyzing the role of CSR in emerging economies, where it seems more necessary to use sustainable ways of conducting business, is at the forefront of the research agenda. In addition, this incorporates a cross-cultural issue in research, as proposed by Vollero, Siano, Palazzo, and Amabile (2020).

Thus, analyzing the role of CSR in emerging economies, where it seems more necessary to use sustainable ways of conducting business, becomes relevant not only for research but also for practice. This is due to the fact that an increasing number of consumers are looking for goods and services that provide higher benefits to the environment and the society as a whole, recognizing firms that act with social responsibility and turning this into a competitive advantage. As we explain in Section 2, the interaction between firms and consumers is changing, and, therefore, firms have to adopt more sophisticated strategies as consumers have learned by themselves to make choices by following their knowledge about how companies conduct their business. Going deep into these interactions, different studies analyze the effect of CSR on brand image (Ali, Danish, & Asrar-ul-Haq, 2020; Ferrell, Harrison, Ferrell, & Hair, 2019; LópezPérez, Melero, & Sese, 2017), on consumer purchasing behavior (Grimmer & Bingham, 2013; Torres, Bijmolt, Tribó, & Verhoef, 2012), on the degree of loyalty (Cuesta-Valiño, Gutiérrez, & Núñez, 2019; Park & Kim, 2019; Uhlig, Mainardes, & Nossa, 2020), or on their predisposition to recommend the company's products to other consumers (Hwang & Kim, 2019; Oh & Ki, 2019). But most of those work focuses on developed economies.

In this paper, we analyze the extent to which CSR, in emerging markets, affects the link between consumers and brands. Moreover, we evaluate the effect of brand connection on both consumer loyalty and willingness to recommend the company's products—word of mouth (WOM). We also aim to analyze the potential influence of socio-demographic variables (i.e., income and education) in the patterns. In summary, we will deepen into the role of consumers as co-responsible for sustainable development in emerging economies. Notice that this article is the first on using the Stimuli–Organism– Response (SOR) model to analyze the effect of CSR on consumer behavior. Our results will be useful for firms to respond to the specific needs and issues in countries at different development stages.

To this aim, we will apply the model of Stimuli–Organism– Response (SOR) (Mehrabian & Russell, 1974) for Peru. In contrast to the current political instability and the increasing market uncertainty in the region, Peru remains a stable economy in Latin America (LATAM) with a regionally high growth rate of around 4%. The country presents a relatively large domestic market, rising incomes, and high consumer confidence. According to a study by Atradius (2019), a trade credit insurer, Peru is considered one of the most promising emerging economies around the world with a notable growth prospects in 2019 for its primary industry sector.4 It should also be noticed that Peru has signed trade agreements with the US, the European Union (EU), China, Mercosur, among others, including a new freetrade agreement with Australia. To put the current Peruvian economic situation in context, we present in Appendix 3.A some socio-economic indicators in comparison with other developed countries. These economies have been chosen based on the current or past influence on the Peruvian culture and society.

To achieve our objectives, the paper is organized as follows: the following section provides a review of the literature and presents the set of hypotheses. Section 3 presents our survey data, together with data analysis methodology. Analysis of our study results is found in Section 4. Finally, our main theoretical contributions and implications for management are discussed in the conclusions section.

3.2.-THEORETICALBACKGROUND AND HYPOTHESES DEVELOPMENT

3.2.1.-CSR, brand connection and customer engagement

Authors, such as Porter and Kramer (2006) and Carroll (1999), recognize the economic, social, and environmental dimensions of CSR. From a business standpoint, organizations should make every effort to understand their stakeholders' main concerns (Rahmawati, Jiang, & DeLacy, 2019). Sustainable companies offer products and services that meet society's needs—while contributing to the well-being of the planet (Ahmad & Ramayah, 2012; Arend, 2014; Azmat & Samaratunge, 2009).

However, authors, such as Hur, Kim, and Woo (2014), Wilkie and Moore (2012) and Bhattacharya and Sen (2004), among others, defend that all agents involved—that is, companies, consumers, and public administrations—are equally co-responsible for sustainability. Especially interesting is the significant shift in perception among CSR consumers—spawning concepts like citizen-consumer, coined by Webster and Lusch (2013). Citizen-consumers are consumers who are aware of the repercussions of their actions, "related to causative variables, including personal, social, and environmental factors," in society (p. 396).

From a commercial standpoint, CSR activities strengthen the brand–consumer bond (Ali et al., 2020; Jain & Winner, 2016; López-Pérez et al., 2017). Numerous studies, in fact, examine links between consumer perceptions of CSR and purchase intention (Sen & Bhattacharya, 2001; Torres et al., 2012), and between CSR and loyalty (Cuesta-Valiño et al., 2019; Park & Kim, 2019; Uhlig et al., 2020), finding positive links between such constructs. We found no evidence, on the other hand, of studies analyzing these relationships in emerging economy contexts. Nielsen Consulting (2019) underscores that the diversity of consumer profiles, globally, makes a single, one-size-fits all commercial strategy that works for all markets impossible.

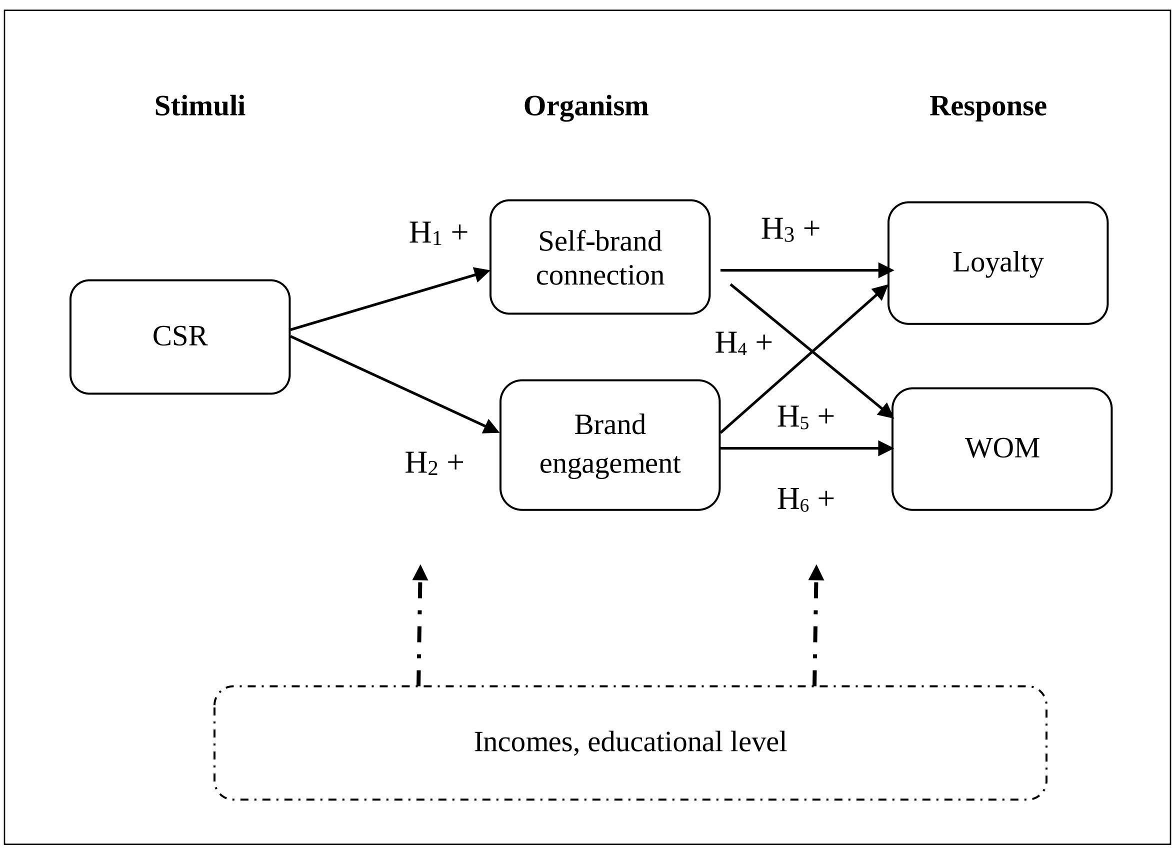
In such a context, the reality of emerging economies—characterized by lower average income, wide socio-cultural differences, specific regulations, and governmental control and enforcement mechanism— makes paying attention to different models of consumer behavior essential and justifies the interest and value of our study. At this point, **brand connection** is a concept which helps explain consumer–company bonds (Harrigan, Evers, Miles, & Daly, 2018; Ming-Tan, Salo, Juntunen, & Kumar, 2018). As Park, Macinnis, Priester, Eisingerich, and Iacobucci (2010) point out, brand connection is a key ingredient in the brand relationship, as it refers to how consumers establish a sense of oneness with brands. More specifically, **self–brand connection** reflects consumer attitudes regarding brand favorability, strength, and uniqueness. Favorable/unfavorable consumer perceptions, in turn, drive a sense of oneness/discord with a brand that is positively/negatively linked to building robust consumer–brand relationships (see Berger, Schlager, Sprott, & Herrmann, 2018, for instance).

Bonds of this sort satisfy certain psychological needs (Ali et al., 2020; Roy & Rabbanee, 2015)—for example, expressing and strengthening individual identity—and impact consumer behaviors, including attitude toward the brand, brand preference, motivation to buy, brand satisfaction, and brand loyalty. The nature of such bonds calls for using the concept of **customer engagement**—defined as “customers' behavioral manifestations that have a brand or firm focus, beyond purchase, resulting from motivational drivers” (van Doorn et al., 2010, p. 254). In other words, customer engagement can be understood as a mental state (Thakur, 2016), driving relationships beyond transactions—for example, co-creation, recommendations, “like” posts, etc. (Kumar & Nayak, 2018)—hence helping to build robust, long-term relationships (Brodie, Hollebeek, Juric, & Ilic, 2011). More specifically, **brand engagement** represents the level of interaction and connections between consumers and the brand (Vivek, Beatty, & Morgan, 2012), indicating involvement with the brand and incorporating individual disposition toward the brand (Dwivedi, 2015; Raïes, Mühlbacher, & Gavard-Perret, 2015).

With a view to establish the relationships between these concepts, we considered the S–O–R framework (Mehrabian & Russell, 1974)—a model rooted in environmental psychology, which establishes that a range of environmental factors, as encountered at a particular moment in time, act as stimuli (S), impacting people's internal state (i.e., perceptions and feelings) and thinking exercises (O) which, in turn, influences their behavioral responses (R) (Cao & Sun, 2018). In this sense, the work of Cambra-Fierro, Melero, and Sese (2017) presents a good illustration of the meanings of these dimensions: stimuli include all those things that we generally understand to be external motivations, CSR in our model; the organism component represents individuals' reactions that occur from exposure to the stimuli. These states are important factors that help to explain how customers evaluate alternatives (Donovan, Rossiter, Marcooling, & Nesdale, 1994). In our research, self–brand connection and brand engagement are considered as cognitive states that lead to reactions. Many times, the factors classified in the organism box have been considered key in explaining consumer behavior (Dowling & Staelin, 1994; Herrero & Rodríguez, 2010). Finally, the last part of the framework is the customer response that has to be externally detectable—verbal or behavioral (Jacoby, 2002).

Thus, we consider the S–O–R framework to be suitable for our analysis. Specifically, CSR would act as a stimulus (S), self–brand connection and brand engagement would reflect the internal state of consumers (O), and loyalty—behavioral—and WOM—verbal—would be the materialization of behavioral responses (R). Figure 3.1 presents the causal model and subsequent subsections develop each of the reference hypotheses. We also aim to analyze the potential moderating effect of socio-demographic variables as incomes and educational level.

Figure 3.1: Causal Model (S-O-R)



3.2.2.-CSR precedes self-brand connection and emotional brand engagement

At present, there is an increasing demand among many consumers for economically, socially, and environmentally responsible brands—as a way to show desirable, responsible behavior (Ali et al., 2020; Currás-Pérez, Dolz, Miquel-Romero, & Sánchez-García, 2018; Lerro, Vecchio, Caracciolo, Pascucci, & Cembalo, 2018). In this way, consumers come to identify themselves with the brand, legitimizing the activity of the company (Grimmer & Bingham, 2013; Sen & Cowley, 2013). The literature suggests that the more the consumers identify themselves with brands—the closer the brands are to consumer personality and value structures—the more important those brands will be to the consumers (Harrigan et al., 2018). CSR's economic, social, and environmental dimensions, recognized by authors such as Porter and Kramer (2006) and Carroll (1999), refocus organizations' interest toward sustainability (Ukko et al., 2019)—becoming a fundamental factor when it comes to creating and strengthening the consumer–brand bond. Thus, our first hypothesis is as follows:

Hypothesis 1*: CSR has a positive impact on the degree of self-brand connection.*

It may be the case that when companies carry out effective, consistent CSR actions over time, strong bonds will result (Arend, 2014)— beyond the mere purchase or repurchase of brand products (Granitz & Forman, 2015; Leckie, Nyadzayo, & Johnson, 2016). In such a context, it is very likely that consumers identifying with CSR actions will not only be willing to repeatedly buy same-brand products, but will also recommend them to other consumers and even be willing to help companies design new products or come up with alternative uses for existing ones—that is, to become brand-engaged customers (van Doorn et al., 2010). Thus, we put forth the following hypothesis:

<u>Hypothesis 2</u>*: CSR has a positive impact on the degree of brand engagement.*

3.2.3.-Brand connection and emotional brand engagement as antecedents of customer loyalty and word-of-mouth

The consumer–brand bond indicates consumer acceptance toward a given brand (Eelen, Ozturan, & Verlegh, 2017). This attitude arises after consumers have analyzed the brand profile and the degree to which it adapts to their value structures (Berger et al., 2018; Ming-Tan et al., 2018). Once that match occurs, it is very likely that consumers will be comfortable building and maintaining an active, loyalty-based relationship with the brand—and repurchasing products (Uhlig et al., 2020); in other words, repeat purchase behavior together with positive feelings toward the brand (Dick & Basu, 1994) make the brand more accessible in the consumers' minds (Eelen et al., 2017) and make switching costs a factor (Polo & Sese, 2009). Thus, we can expect that the extent to which consumers identify themselves with a brand will drive the degree of consumer loyalty (Cuesta-Valiño et al., 2019; Shin & Thai, 2015). Moreover, once the consumer–brand bond occurs, we can anticipate client inclination to have a favorable opinion about the brand and recommend products to other consumers (Bedard & Tolmie, 2018; Hwang & Kim, 2019)—generating positive WOM flow toward the company (Eelen et al., 2017). Based on these arguments, we propose the following block of hypotheses:

<u>Hypothesis 3</u>*: The degree of self–brand connection has a positive impact on consumer loyalty*.

Hypothesis 4*: The degree of self–brand connection has a positive impact on WOM.*

Authors like Thakur (2016) and Dwivedi (2015) point out that brand engagement plays a relevant role in explaining consumer behaviors. Shin and Thai (2015) indicate that consumer identification with and feelings of connectedness to brands translate as a predisposition to maintain a lasting commercial relationship with those brands. Moreover, consumer–brand bonding is positively correlated both with positive attitudes toward given brands and higher probability of repeat purchase behaviors (Brodie et al., 2011). Thus, to the extent that consumers have developed a degree of brand engagement, we can expect greater predisposition toward loyalty (Vredeveld, 2018)— and this bond will drive brand adoption, co-creation, and reproduction of positive purchase behaviors over time (Moon, Park, & Kim, 2015). Similarly, consumers who identify themselves with a given brand are very likely to want the bond to be perceived by friends, family, coworkers, and the broader community—driving a willingness to recommend and share favorable opinions about the brand (Hwang & Kim, 2019; Leventhal, Wallace, Buil, & de Chernatony, 2014) and to act as spokesperson for the company, with the capacity to impact buying behavior among fellow consumers (Bedard & Tolmie, 2018). Based on these arguments, we propose our last block of hypotheses:

Hypothesis 5*: The degree of brand engagement has a positive impact on loyalty.*

Hypothesis 6*: The degree of brand engagement has a positive impact on WOM.*

Finally, since consumers' behavior is based on their personal and socio-demographic characteristics (Cambra-Fierro, Perez, & Grott, 2017; Homburg & Giering, 2001; Mittal & Kamakura, 2001; Verhoef, 2003), we are also interested in studying the potential moderating role of income and education on the previous hypotheses. From an economic point of view—see Polizzi di Sorrentino, Woelbert, and Sala (2016) for a recent review—it is well-known that individuals with higher incomes tend to spend more as their consumption increases with income. Besides, having higher income levels may help consumers in taking decision about whether spending on certain goods or saving. Regarding education, the education level allows consumers to better search through different buying options in order to satisfy their needs. Education level may also be linked to an individual's self-control over finances and spending. Moreover, education provides the consumer with the skills to evaluate the decision on spending versus saving. For instance, Stern (2000) points out that one type of variable that has to be taken into account is personal capability, which refers to the knowledge and educational level, skills, income, and social status. He shows that these socio-demographic variables affect to different extents certain pro-environmental behaviors. This also seems to be the case for attitudes toward CSR actions.

3.3.-DATA AND METHODOLOGY

To test our hypotheses, we conducted a study in the Peruvian food and beverage retail sector. Underlying our analysis of habitual consumption patterns is the fact that food and beverage products— together with textile, health, and transport—are considered to be frequent consumption products in the Peruvian shopping basket (Instituto Nacional de Estadística e Informática [INEI], 2020). Our study population is made up of consumers over 18 years of age in the Metropolitan Lima area. The metropolitan area of the capital of Peru is home to over 30% of the country's population, representing all age groups, training, and income levels—and the area is considered the economic and demographic engine of the country. Table 3.1 shows the technical data for our study

Table 3.1: Technical Fieldwork Data

Universe	Consumers of food and beverage products, over 18 years of age, from the Metropolitan Lima area (Peru)
Sample size	403
Geographical scope	National
Sampling method	Random quota
Fieldwork	October-December, 2018
Analysis of information	PLS Software (SmartPLS 3.2.7)

We used a face-to-face questionnaire. The data collection took place over a 3-month period during scheduled times (morning, afternoon, and evening), 7 days a week. Interceptions occurred near the supermarkets, convenience stores, and mall entrances, as well as exits, to reduce sampling bias and to obtain a mix of respondents, as suggested by Kok and Fon (2014). The intercept is a popular method in marketing research (Bush & Hair, 1985) and has been used in similar studies (Keillor, Lewison, Hult, & Hauser, 2007; Yani-de-Soriano et al., 2019). The intercept method was appropriate for our use because it enabled interviewers to screen potential respondents for their eligibility and to seek clarification if needed (Yani-de-Soriano et al., 2019).

We designed a questionnaire from previously validated and contrasted scales to measure each of the constructs (see Appendix 3.B) taking as reference highly popular brands in Peru. Interviewees must think of F&B brands, which they associated with CRS practices—in order to avoid potential misunderstandings, some examples of good practices were provided by the interviewers. Regarding the measurement model, for corporate social responsibility, we took as a base the scale designed by Hur et al. (2014). Loyalty is measured using the proposal by DeWitt, Nguyen, and Marshall (2008). For brand engagement and self–brand connection, we applied the scales of Berger et al. (2018). Lately, WOM is measured using the scale developed by Grott, Cambra-Fierro, Perez, and Yani-de-Soriano (2019).

All the constructs included in this study can be considered as design constructs or artifacts, that is, human-made instruments theoretically justified and typically created by managers and staff in companies. Since such artifacts are shaped from components combined to form a new entity, Henseler (2017) suggests modeling them as composites. Thus, we employ a structural equation modeling technique to estimate our model by using partial least squares (PLS) (Rigdon, Sarstedt, & Ringle, 2017; Sarstedt, Hair, Ringle, Thiele, & Gudergan, 2016).

Given the confirmatory purpose of this study, we begin the analysis of the estimated model by providing the standardized root mean square residual index (SRMR) (Hu & Bentler, 1998), which is a measure of overall goodness-of-fit (GOF) (Henseler, 2018) available for PLS (Henseler, Ringle, & Sarstedt, 2016). This index reaches a satisfactory value of 0.05, which is under the usual cut-off of 0.08, proposed by Hu and Bentler (1998). In addition, the GOF value (0.6016) is higher than the reference value of 0.4, proposed by Tenenhaus, Vinzi, Chatelin, and Lauro (2005), so the model presents a good quality of fit

To evaluate the quality of the data, we carry out an individual reliability analysis of each item relative to its construct. All resulting values exceed the threshold of 0.707 required by Carmines and Zeller (1979). The same is found when assessing the reliability of the variables using Cronbach's alpha and composite reliability. Appendix 3.B shows that all constructs are reliable, as they exceed the reference value of 0.8 for each index (Nunnally, 1978). The convergent validity is assessed by using the average variance extracted (AVE), which, according to Fornell and Larcker (1981), must exceed 0.5. As such, over 50% of the variance of the construct is found to be due to recommended indicators. Appendix 3.B shows that, in all cases, the reference value is exceeded.

Finally, following the Fornell and Larcker (1981) criterium, the existence of discriminant validity was validated by applying the comparison of the square root of AVE against correlations (see Table 3.2).

Table 3.2: Discriminant Validity

	CSR	**Brand Engagement**	**Loyalty**	**Self-brand Connection**	**WOM**
CSR	**0.87**				
Brand Engagement	0.51	**0.92**			
Loyalty	0.52	0.73	**0.95**		
Self-brand Connection	0.54	0.76	0.70	**0.88**	
WOM	0.51	0.70	0.78	0.70	**0.94**

Note: Numbers along the diagonal axis in bold are the square roots of the AVE for the corresponding variable; the rest of the numbers represent construct correlations. All correlations are significant at <0.01 (Fornell & Larcker 1981).

3.4.-FINDINGS AND RESULTS

In relation to the structural model, a bootstrap analysis is performed to assess the statistical significance of the loadings and the path coefficients. We created 5,000 subsamples, employing a t-Student distribution with 4,999 of freedom (N − 1, where N = number of subsamples), obtaining the values, t(0.05; 4,999) = 1.64; t(0.01; 4,999) = 2.32; and t(0.001; 4,999) = 3.09. From these values, we determine the acceptance or rejection of our hypotheses (Table 3.3). Concerning the explained variance of the endogenous variables (R^2), the model shows an adequate predictive power, since all of the endogenous constructs achieve an explained variance greater than 0.1, the reference value established by Falk and Miller (1992).

The data shown in Table 3.3 highlight that, as predicted, all the links between constructs are significant, since all the hypotheses can be confirmed at the highest level of significance. Thus, by accepting H_1, we confirm there is a significant link between CSR and self–brand connection. In addition, CSR has also a direct and significant link to brand engagement. Thus, H_2 is accepted.

As self–brand connection has a direct and significant link to both loyalty and WOM, H_3 and H_4 are confirmed. Finally, brand engagement significantly influences both loyalty and WOM. Thus, H_5 and H_6 are accepted.

Table 3.3: Structural Model Results

Hypothesis	B	t-value	R^2
H_1: CSR -> Self-brand Connection	0.548***	12.63	0.30
H_2: CSR -> Brand Engagement	0.516***	10.32	0.26
H_3: Self-brand Connection -> Loyalty	0.329***	6.31	0.59
H_4: Self-brand connection -> WOM	0.395***	7.81	0.56
H_5: Brand Engagement -> Loyalty	0.491***	8.59	
H_6: Brand Engagement -> WOM	0.406***	7.39	

*** When the t value obtained by the Bootstrap technique overcomes t-Student value t (0.001, 4999) = 3.09, the hypothesis is accepted at 99.9% significance.

We also wish to assess whether socio-demographic variables, such as income and education, moderate our hypotheses. In doing so, multigroup analysis tests the null hypothesis that the path coefficients between two groups are not significantly different. To assess the potential moderating role of income and education variables, we carry out a multigroup analysis where each variable presents a categorical profile—in our case, two categories for each variable: high versus low for income, and primary versus superior for education.

Following guidelines proposed by Hair, Sarstedt, Ringle, and Gudergan (2018) and Hair, Sarstedt, Hopkins, and Kuppelwieser (2014), the first step was to analyze β-value differences between the subsamples. For both groups, the data suggest potential differences in means, relating to both income and education. Consumers with higher levels of income and education display higher β-coefficients; most of the hypotheses are significant for all segments, except H_3 (self–brand connection-loyalty; $p < .05$) in the lower incomes and lower educational level subsamples. Therefore, both income and education appear to intensify the proposed relationships. That said, a second step is required, if these indications are to be corroborated—namely, assessing the significance of identified potential differences (Chin & Frye, 2003). To this end, a t-test was calculated for both variables. In both cases—incomes and education—some permutation p values are over 0.1, indicating that some differences between subsample means are not statistically significant (H_4 and H_6). For the other links, permutation p values are below 0.1, indicating that differences between subsamples means are statistically significant: CSR-self–brand connection (H_1) (p value = .06 for incomes; p value = .06 for education), CSR-brand engagement (H_2) (p value = .08 for incomes; p value = .07 for education), brand engagement-loyalty (H_5) (p value = .05 for incomes; p value = .07 for education), likewise some bonds are more intense among consumers who have had higher education and higher incomes. In other words, our data indicate that— in the Peruvian context—both income level and education moderate model relationships.

3.5.-DISCUSSION AND CONCLUSIONS

Currently, there is a growing interest in sustainability on the part of a number of stakeholders: companies, consumers, institutions, politicians and governments, and society as a whole. Concern for the environmental sustainability of the planet and responsible use of natural resources, fair trade policies, practices, ethical labor practices, and a firm commitment to equality are—among others—aspects that should be compatible with both global economic growth and sustainable development in disadvantaged areas. In doing so, firms are able to gain legitimacy.

From a management standpoint, companies are responsible for commitment to production systems, which are compatible with the aforementioned principles; institutions and governments, for their part, must guarantee a coherent competitive context. Responsibility should not fall solely on these stakeholders, however; consumers—by way of purchasing and post-buying choices and behaviors—are co-responsible, to the extent that they reward or penalize brands based on whether they fit their needs and value structures to a greater or lesser degree. Thus, authors like Hur et al. (2014) and Wilkie and Moore (2012) underscore the active role consumers should play in the current context of new social awareness (Achrol & Kotler, 2012). In short, promoting and developing sustainable consumption is equally important to limit negative environmental and social externalities, as well as to provide markets for sustainable products, and, in this sense, the role that CSR-related initiatives can play is fundamental.

Under the premise of co-responsibility, companies are increasingly interested in understanding consumer responses to CSR actions. In this vein, several recent studies have assessed CSR's impact on a number of factors underlying both purchase (e.g., Ali et al., 2020; Ferrell et al., 2019; Park & Kim, 2019) and post-purchase behaviors (Hwang & Kim, 2019; Oh & Ki, 2019). However, all these studies focus on developed economies contexts and there is no evidence of research addressing emerging economies. In a globalized world, we cannot ignore the importance of many such economies; not only in terms of population and natural resources but in terms of economic growth as well—growth is not always based on models, which are compatible with the principles of sustainability and which often fuel alarming levels of social inequality (Sharma, 2019). Regarding CSR and emerging economies, two issues have been studied in depth: firstly, the extent to which CSR initiatives are taken. The main result is that emerging economies adopt less CSR initiatives than their counterparts in the developed world (see, e.g., Welford, 2004).

Secondly, the reason for that difference and most studies find that it is due to the low economic development level (see, e.g., Baughn, Bodie, & McIntosh, 2007). However, the role of consumers is crucial to drive not only sustainable production but also sustainable development.

Peru, as an example of an emerging economy in the LATAM context, is highly attractive in terms of analyzing the extent to which CSR has an impact on consumer brand perceptions and post-purchase behaviors. Rapid industrial growth—together with the advent of a bourgeois middle class (projected to represent one-third of Peruvian households by 2020)—makes for an attractive context to interpret the results of our study.

We note that—in the context of our study—consumer behavior seems to respond to a global pattern, positively assessing CSR business activity. Confirmation of both H_1 (CSR-self–brand connection) and H_2 (CSR-brand engagement) indicates that CSR is a positive stimulus, driving consumers to feel closer to—and identify themselves with—certain brands, while fostering a desire to build lasting bonds. Thus, from a practical standpoint, the clear recommendation is to advocate CSR in company activity. However, the presence of CSR must not respond to a testimonial or cyclical profile, as this would be perceived as opportunistic by the market—and, as López-Pérez et al. (2017) highlight, this type of behavior is penalized by consumers. Thus, rooting CSR policy and practice at the core of company activity, in a structural, transversal manner, is recommended. In this way, CSR also helps define global strategy and to identify possible sources of sustainable competitive advantage over time. Moreover, accompanying all of this with a coherent communication strategy—adapted in message and channel to each of the reference stakeholders—is recommended

The second block of hypotheses proposed links between self– brand connection and brand engagement with loyalty (H_3 and H_5) and WOM (H_4 and H_6), respectively. Again, for the Peruvian context, our results fit global patterns. In an increasingly globalized economic and social context, we observe that—while cross-cultural differences linked to divergent degrees of economic development, language, religion, and even internet penetration rates, among other factors, do exist—concern for sustainability is a worldwide phenomenon. Our results corroborate the fact that consumers who see their value structures reflected in brand behavior—consumers who identify with a brand—wish not only to establish lasting bonds with brand products, but to recommend them to other consumers as well. This fact may owe itself to Peru's cross-cultural profile—like most other LATAM countries, characterized by a high level of collectivism—according to the Hofstede's cultural dimensions model (2019). In collectivist societies, people belong to “in groups” which support and provide for individual members. Moreover, Peru's pre-Hispanic past has left a lasting, strongly nature-oriented spiritual legacy which may explain, to some degree, the favorable attitude all segments display toward CSR. Vollero et al. (2020) have recently proposed that cross-cultural issues may affect CRS issues and should be considered as a strategic line of further research. Our results are in line with that idea.

Our study also analyzes the extent to which income and educational levels stand to intensify proposed model relationships. This analysis reinforces the contribution of our research. From an economic point of view, authors such as Polizzi di Sorrentino et al. (2016) and Stern (2000) point out the importance of considering socio-economic variables in consumer behavior models. Similar ideas are suggested by key researchers in the marketing field (e.g., Homburg & Giering, 2001; Mittal & Kamakura, 2001; Verhoef, 2003). Specifically, the data reveal that for the Peruvian context, income level moderates these relationships, as well as educational level. All the hypotheses— except H_3: self–brand connection-loyalty in the lower incomes and lower educational level segments—are significant for all subsamples, although most links are also more intense among consumers with higher levels. The patterns of segments with both higher incomes and higher educational levels seem to match with those patterns identified in developed economies, where high levels of pressure from different stakeholders become CSR in a way of legitimate the activity of firms. This may be so because more highly educated and richer consumers— as education and incomes are usually highly correlated—tend to be more aware—not only of the benefits of CSR for environmental sustainability but also of additional positive outcomes relating to economic, social, and philanthropic factors as well. Not only incomes, but education, then, is a relevant factor when it comes to reinforcing the contribution and value of CSR. Well-educated citizen-consumers are essential—aware of the positive and negative externalities generated by company activities and equipped to identify corporate behaviors, which are coherent and consistent with their value structures, while penalizing organizations acting opportunistically. Governments and other national and international institutions are highly responsible, in this regard—not only in the quest to achieve fairer, more equal societies but to shore up economic, social, and environmental sustainability across the planet. As Achrol and Kotler (2012) point out, all the stakeholders must be prepared to contribute to the new social consciousness required to guide economic and business practices.

Despite the relevance of our findings, several limitations must be recognized. Firstly, since the study is based on consumers' personal opinions, some bias may be present in the data. For minimizing bias, some strategies were adopted: guaranteeing respondent anonymity, clarifying the inexistence of correct/incorrect answers, and adapting previously validated scales to the context under analysis using a pretest to avoid possible ambiguities in scale wording (Podsakoff, Mackenzie, & Lee, 2003; Podsakoff & Organ, 1986). In addition, the Harman single factor test was under 50% for our research data, indicating that bias due to use of a single method is unlikely;

no single factor explains more than 50% of the variance, hence our data can be accepted as valid (Podsakoff & Organ, 1986). Finally, our model is likely to include additional variables. Replicating our study in other emerging economies (both Eastern and Western) would strengthen our conclusions and contribute to identifying additional cross-cultural patterns of interest.

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Appendix 3.A. Measurement Scales (Sources) (Alpha C., CR, AVE)/ Mean/St Dev.

CONSTRUCT/ITEMS	Mean	St
CORPORATE SOCIAL RESPONSIBILITY (CSR) (Hur, 2014) (0.889; 0.929; 0.766)		
I think [brand] is socially responsible.	4.86	1.39
[Brand] is committed to increasing well-being in the society.	4.78	1.46
[Brand] is respectful with the environment.	4.69	1.51
[Brand] management of human resources go above and beyond the legal	4.53	1.41
SELF-BRAND CONNECTION (SELF-B CONN) (Berger et al., 2018)		
[Brand] reflects who I am.	4.09	1.74
I can identify with [Brand].	4.28	1.71
I feel a personal connection to [Brand].	4.03	1.82
I can use [Brand] to communicate who I am to other people.	3.59	1.78
I think [Brand] could help me become the type of person I want to be.	3.20	1.77
I consider [Brand] to be “me”.	3.15	1.79
[Brand] suits me well	3.82	1.82
BRAND ENGAGEMENT (B ENG) (Berger et al., 2018) (0.940; 0.957; 0.848)		
I felt very positive when I was dealing with [Brand].	5.12	1.45
Dealing with [Brand] made me happy.	4.57	1.66
I felt good when I was dealing with [Brand].	4.78	1.61
I was proud to deal with [Brand]	4.43	1.69
LOYALTY (LOY) (DeWitt et al., 2018) (0.913; 0.958; 0.920)		
I am dedicated to staying with [brand].	4.43	1.79
If [brand] increases its prices I would continue to be a customer	4.31	1.78
If a rival brand offered me better conditions I would not switch brands	3.94	1.96
I do not intend to switch to a competitor of [brand]	4.56	1.82
I will contract the services of [brand] in the future/ I will buy [brand] in the	5.07	1.64
I will visit the branches of [brand] again/ I will look for [band] again	4.58	1.73
WORD OF MOUTH (WOM) (Grott et al., 2019) (0.869; 0.938; 0.883)		
I like sharing my experience as a customer of [brand] with other customers.	4.41	1.70
I will recommend [brand] to friends and family.	4.64	1.66
I always give my honest opinion about the [brand's] products.	5.82	1.33

CHAPTER 4: SUSTAINABILITY AND BRANDING IN RETAIL: A MODEL OF CHAIN OF EFFECTS

Abstract

The main objective of this study is to analyse the impact of sustainable practices on companies' corporate reputation and brand image in the retail sector as perceived by consumers. In addition, we evaluate how those practices affect consumers' perceived satisfaction levels and their predisposition to engage in positive Word of Mouth (WOM). For the purpose of this study, the context of an emerging economy, Peru, is taken as reference. To do this, we propose a structural equation model based on a representative sample of 403 consumers. The data analysis—using the PLS software package—confirms that corporate social responsibility (CSR) positively influences both corporate reputation and brand image. These two factors jointly have an impact on consumers' perceived satisfaction levels, which in turn help to explain the flow of positive WOM. This work is a pioneering study of the relationship between the aforementioned factors in the context of emerging economies. The final part of the article discusses the main theoretical implications and recommendations for business practice.

Keywords: retail, sustainability, CSR, reputation, brand image, WOM, emerging economy.

4.1.-INTRODUCTION

Presently, society as a whole requires companies to follow sustainable and socially responsible business models (López-Pérez, Melero-Polo, Vázquez-Carrasco, Cambra-Fierro, 2018). Current consumption trends show an increasing interest in sustainable models (Olsson, Hellström, & Pålsson, 2019; Ruiz-Real, Uribe-Toril, Gázquez-Abad, & de Pablo, 2019; Kumar, Manrai, & Manrai, 2017), in products obtained from environmentally friendly production processes, in brands recognised for adopting fair practices in the management of their workers, in companies that support local communities or society in general. In short, in products and services offered by socially responsible companies that are committed to sustainability as a management reference (López-Pérez et al., 2018; Zhang & Mei, 2020).

These business models are even more important in situations where companies face problems such as pressure from limitations in resources, fierce competition, diverse customer needs and the development of technology (Zhang & Mei, 2020). In the case of retail companies, trade dynamics are changing: the rapid expansion of ecommerce and online retailing (Rao,2019). has encouraged omnichannel models and has forced many companies to consider logistical aspects (i.e. last mile logistics) in the value proposition; the latter have an impact not only on specific deliveries, but also on the CO_2 footprint generated by each delivery (Olsson et al., 2019). Therefore, adopting best practices in terms of sustainability is a key factor to understand retailers' success (Pimentel, Laban, & de Oliveira, 2013; Meise, Rudolph, Kenning, & Phillips, 2014).

In this sense, the work by Ruiz-Leal et al., (2019) highlights the key role that the concept of sustainability is progressively acquiring in retail, as it is regarded as an important source of competitive advantage. Based on an in-depth literature review, these authors identify different aspects of interest for academic research, notably: i) the links between actions of sustainability and retailers' image; and ii) how sustainability actions may influence brands. They also emphasize the relevance of international and cross-cultural analysis.

From a marketing viewpoint, understanding the extent to which sustainability principles can have an impact on reputation and/or brand image is essential to improve the company's commercial positioning. The literature review recognises the growing number of papers that analyse the phenomenon of sustainability and CSR in retailing. However, most of these works deal with the case of developed western economies such as France (Kessous, Boncori, & Paché, 2016), or Germany (Moser, 2016). We found no evidence of similar studies in the context of emerging economies. However, analysing the role of sustainable retailing practices and their impact on corporate reputation and branding in emerging economies is relevant not only for research but also for practice. It seems increasingly important to conduct business in a sustainable manner.

The concept of sustainable development is not new and has matured over decades. In the 80's it was accepted the idea that economic growth was fundamental to development but closely linked to the specific local and historical sociocultural and institutional conditions of a country or community and focused on the use of internal natural and human resources. At that point, the idea that development needs to be sustainable was recognized and the concept of sustainable development began to gain attention. Although, there are several definitions of the concept of sustainable development, the most well-known is the one proposed by the Bruntland Commision Report in 1987 where sustainable development is defined as development that meets the needs of current generation without compromising the ability of future generations to meet their own needs.

In terms of emerging economies, the challenge is how to reach economic growth following sustainable principles, as both poverty and inequality have been identified by the United Nations as the main obstacles for those economies to reach sustainable development goals. Therefore, those strategies based on sustainability and positively valued by customers may help to facilitate economic growth of emerging economies, to reduce both absolute poverty and inequality and guarantying the future of the next generations.

Therefore, once these gaps were identified in the literature, and having observed that they addressed a specific topic of this particular issue (i.e. the impact of sustainability practices on firm reputation and branding), this work aims to respond the following RQs in the context of emerging economies: Do CSR activities perceived by customers impact on reputation and bran image? Does branding influence on customers' perceived satisfaction and post-purchase behaviour?

These RQs result in four objectives: i) to evaluate how sustainability principles (measured in CSR) have an impact on reputation and brand image; ii) to assess how these factors affect consumers' perceived levels of satisfaction; iii) to analyse the impact on consumers' predisposition to issue favourable opinions on products/brands (a key factor given the great influence that opinions on social networks or search engines have on the choice of other consumers); and iv) to deepen the analysis of consumption patterns in emerging economies.

To do this, the second section of this paper describes the theoretical background and hypotheses developed in this work. The third and fourth sections present the research methodology and results. Finally, we conclude with the main theoretical and practical implications of this study.

4.2.-THEORETICAL BACKGROUND AND HYPOTHESES DEVELOPMENT

A key objective of any company is to establish and maintain firm and lasting relationships with its customers. Thus, relationship marketing aims to develop mutually satisfying long-term relationships with key stakeholders (consumers, employees, and participants in the value chain)

(Armstrong, 2009; Gupta, Foroudi, & Yen, 2018). Despite the growing importance of stakeholders in business processes, companies have been changing not only the way they approach their objectives but also their own perception of who should be the beneficiaries of the created value (Cardoni, Kiseleva, & Taticchi, 2020). In this context, the interest in sustainability as a reference management form is increasing (López-Pérez et al., 2018). Hart and Milstein (2003) define sustainable value as "strategies and practices that contribute to a more sustainable world while simultaneously driving shareholder value". In other words, companies should continue to generate profit, but at the same time they are expected to increase their interest in the quality of their relationships with stakeholders and become more concerned with social and environmental issues (López-Pérez et al., 2018; Cuervo-Cazurra, 2019; Russo & Perrini, 2010). In the same vein, different authors (i.e., Saridakis, Angelidou & Woodside, 2020; Turker, 2009) consider that CSR has a positive effect on stakeholders.[1]

For this reason, CSR has been gaining importance among different interest groups (Kiessling, Isaksson, & Yasar, 2016), especially among those consumers who have a greater motivation in consuming products from companies that are socially responsible/sustainable (Baskentli, Sen, Du & Bhattacharya, 2019). As a consequence, in recent years, there has been a growing interest in investigating the possible effect that CSR programmes may have on consumer perceptions, behaviours and responses such as customer satisfaction. Most studies have found evidence of a significant influence of CSR practices (Dang, Nguyen & Pervan, 2020; Arikan, Kantur, Maden & Telci, 2016; Zasuwa, 2016; Smith, 2003). This is due to the fact that consumers

[1] In this sense, the literature identifies three type of motives for companies to develop CSR activities (De Jong & Van der Meer (2017): (1) *Intrinsic*: the company wishes to help and make a social contribution (altruistic vision); (2) *extrinsic*: the company expects to obtain financial or other benefits from its socially responsible behaviour; (3) addressing societal expectations and stakeholder pressure. Despite the existence of these different reasons, in practice, companies usually combine them and do not focus on just one of them.

perceive stimuli and reward socially responsible companies through a series of pro-business behaviours (for example, through their purchases, loyalty or by defending the brand) (Baskentli et al., 2019).

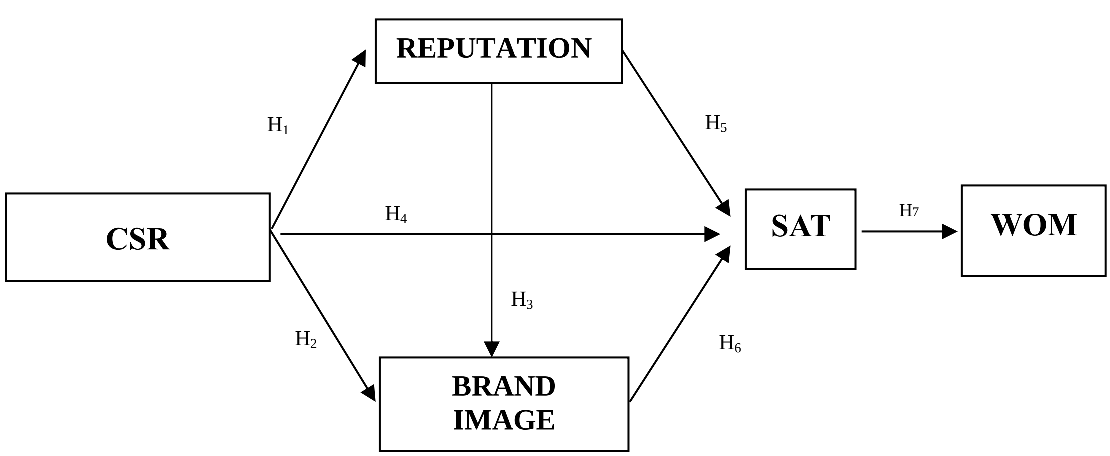
From a theoretical point of view, Social Capital Theory and The Resource Based View help to understand the possible impact of CSR on reputation, brand image and consumer responses. On the one hand, Social Capital Theory considers that social capital drives the pursuit of shared objectives. According to Putnam (2000) and Kumar y Kumar (2020), among others, social capital refers to connections among individuals, social networks, and the norms or reciprocity and trustworthiness that arise from them. As such, social capital reflects the extent to which the company's values meet society's standards and expectations (Cesar & Jhony, 2020; Sen & Cowley, 2013). Under this approach, CSR can be understood as a sign of transparency and benevolence since it encourages cooperation and the exchange of information, which in turn promote relationships of trust between stakeholders. Thus, CSR can be considered as the forerunner of a solid long-term reputation (López-Pérez et al., 2018; Lin, Zeng, Wang, Zou & Ma, 2016; Orlitzky, Siegel & Waldman, 2011; Stanaland, Lwin & Murphy, 2011) and brand image (Kim & Lee, 2020; Hsu, 2012). The latter constitutes a source of sustainable competitive advantage based on differentiation from competitors.

On the other hand, The Resource Based View (RBV) defends that the company is a heterogeneous set of resources and capacities whose sustained competitive advantage derives from its control over valuable, rare, difficult to imitate and non-substitutable resources and capacities (Kumar & Gupta, 2020; Grant, 1991). Merely being in possession of these resources and capabilities, however, does not guarantee value creation or a competitive advantage: the latter depends on the company's ability to combine them (Martelo, Barroso & Cepeda, 2013). Therefore, achieving competitive advantages involves formulating and implementing a strategy that exploits the company's unique characteristics (Grant, 1991). In this sense, brand image and reputation play a key role: they represent intangible resources that can be unique and difficult to imitate and, therefore, a source of sustainable competitive advantage.

Different authors (Iyer, Davari, Srivastava & Paswan, 2020; Veloutsou, & Guzman, 2017; Malär, Krohmer, Hoyer & Nyffenegger, 2011) highlight the increasing number of firms in retailing looking for ways to create strong emotional brand connections with consumers to achieve higher sales rates and more loyal customers. For this reason, the analysis of the impact of CSR activities on reputation, brand image and consumer responses becomes relevant in the retailing sector. Moreover, if we take into account the role of brands as relationship builders between retailers and consumers is key (Fetscherin, Guzman, Veloutsou & Cayolla, 2019) as in B2C contexts some decisions use to be more emotional and less rational (Schau, Muñiz & Arnould, 2009).

We propose a model that establishes a chain of effects that starts from CSR activities and how they influence consumer satisfaction, both directly and indirectly through reputation and brand image. In turn, consumer perceived satisfaction affects the recommendations they would make to other consumers (WOM). Figure 4.1 illustrates the causal model of reference

Figure 4.1: Causal model



4.2.1.-CSR, Brand Image and Reputation

Both reputation and brand image are highly valuable intangible resources (Cowan & Guzman, 2020) that are positively influenced by CSR (López-Pérez et al., 2018). *Reputation* represents the perception of past acts and the projection of possible future acts representing the company's general attractiveness compared to its main rivals (Fombrun, 1996). Reputation is primarily activated through the stakeholder's perceptions of the company (Helm, 2007); it is dynamic in nature since stakeholder perceptions can change and the brand's reputation with them (Mehtap & Kokalan, 2013). In this sense, many CSR activities are perceived by stakeholders as evidence of the company's predisposition towards sustainability, thereby generating positive feelings and attitudes towards the company (Torres, Bijmolt, Tribó, & Verhoef, 2012). For this reason, companies use CSR as a strategic tool to respond to stakeholder expectations and to build and preserve their reputation (Arikan et al., 2016).

Brand image refers to the utility or added value that the brand brings to the product (Hur, Kim & Woo, 2014). Armstrong et al., (2009) suggest that brand image reflects what the consumer has stored of the brand in his memory, that is, basically what comes to a consumer's mind when placed in front of the brand. Therefore, brand image contributes to determining present and future positioning (Torres et al., 2012). Brands based on emotional values are more durable in nature and are less likely of being worn down by competing actions (Lynch, & De Chernatony, 2004). Therefore, CSR actions can contribute to a brand image's emotional component (Ramesh, Saha, Goswami & Dahiya, 2019). There is a broad consensus that CSR positively influences customers' brand perceptions (Kim et al., 2020; Rust, Zeithaml & Lemon, 2001; Li, Zhang, & Sun, 2019).

Authors such as Holt, Quelch, and Taylor (2004) and Kim and Li (2020) believe that social responsibility acts as an enhancer of global brand evaluations. Therefore, perceptions about the company's CSR add value to the brand's image (Martínez, Pérez & Del Bosque, 2014).

We thus understand that previous studies indicate that CSR positively influences both reputation (Melo & Garrido-Morgado, 2012; Brammer, & Pavelin, 2006) and brand image (Martínez et al., 2014; Lauritsen, & Perks, 2015; Popoli, 2011). However, in the context of emerging economies there is only a small and very recent body of literature that suggest these ideas (Shirodkar, Beddewela, & Richter, 2018; Li et al., 2019; Flores-Hernández, Cambra-Fierro, & Vázquez-Carrasco, 2020; Abugre, & Anlesinya, 2020; Pratihari, S. K., & Uzma, S. H. (2018). Therefore, we put forward the following hypotheses:

Hypothesis 1: *CSR positively influences corporate reputation.*

Hypothesis 2: *CSR positively influences brand image.*

On the other hand, corporate reputation is strongly linked to brand image (Lai, Chiu, Yang, & Pai, 2010). CSR's share-based reputation is an intangible resource that is difficult to imitate since it contributes to creating a relationship of trust between companies and their stakeholders (Stanaland et al., 2011; Heikkurinen, P., & Ketola, T. (2012). In the case of consumers, reputation can influence their behaviour (Lin et al., 2016; Pérez & del Bosque, 2015; Kim, & Park, 2011; Wagner, Lutz, & Weitz, 2009; Sen, & Bhattacharya, 2001; Brown, & Dacin, 1997). More specifically, reputation can lead to consumers' positive attitude towards the company and its success (Galbreath, 2009) but also translates into a more favourable attitude and a higher level of consumer loyalty towards the company's products (López-Pérez et al, 2018). This greater predisposition towards a company's products can be explained by the added value that the brand brings to the product, that is, the brand image perceived by consumers. Therefore, a strong reputation based on positive perceptions of CSR activities influences brand image (Cowan et al., 2020; Torres et al., 2012) since many consumers value CSR-based reputation as a key factor in their positive perception of a given brand (Torres et al., 2012; Flores-Hernández et al., 2020; Lai et al., 2010; Ferrell, Harrison, Ferrell, & Hair, 2019). Having all these in mind, we propose our third hypothesis:

Hypothesis 3: *Reputation positively influences brand image.*

4.2.2.-CSR and satisfaction

Satisfaction can be defined as the degree to which previous expectations are met or exceeded with the acquisition of a good or service, constituting a positive emotional state based on all the aspects derived from their analysis (Anderson & Narus, 1984).

Consumer decisions are affected by various factors such as value for money, climate change, or financial differences in developed countries resulting from economic crises (Martínez et al., 2014). Thus, consumers' needs go beyond the benefits they can obtain from the product itself. Price and quality are no longer the main source of competitive advantage to stimulate consumer responses to the company, but rather aspects such as the company's ethics and social practices (Chang, 2017).

Various studies have shown that consumers prefer socially responsible companies. In particular, the study conducted by Becker-Olsen et al., 2006 found that over 80% of respondents believed that companies should engage in social initiatives and that 52% of respondents would boycott companies that did not carry out CSR initiatives if there were other alternatives available on the market.

Previous work has shown a positive influence of CSR on customer satisfaction (He & Li, 2011). One again, there is only a small and very recent body of literature regarding the analysis of the case of emerging economies (Coffie, 2020; Odoom, 2016), which reinforces the newness of our proposal. Based on the above, we propose the following hypothesis:

Hypothesis 4: *CSR positively influences consumer perceived satisfaction.*

On the other hand, people's attitudes and behaviours can be indirectly affected by the fit between the company and its CSR activities. In this sense, according to De Jong and Van der Meer (2017), aspects such as sincerity and credibility are relevant. Furthermore, CSR programmes have a significant influence on how a consumer perceives both products and companies (Smith & Alexander, 2013).

We can infer that satisfaction does not come from the product or service itself, but rather it is derived from consumers' perceptions of the products or services. In this respect, satisfaction can be defined as the difference between the consumers' perceptions of the product and their prior expectations (Cambra-Fierro & Polo-Redondo, 2008). Both reputation and brand image can play a key role in this regard. Brand image and reputation can enhance consumers' perceptions of product use and determine the degree to which a brand meets their demands and expectations (Maden, Arıkan, Telci & Kantur, 2012; Neville, Bell & Mengüç, 2005). Thus, consumers may feel esteem or disdain towards a company based not only on their direct experiences of the companies, but also on reputation-related information (Park, Lee, & Kim, 2014) and on brand associations present in consumers' memories (Keller, 1993). Purchase decisions respond to an evaluation of the attributes, a favourable brand image, and a favourable brand attitude; a positive image generates positive consumer perceptions that in turn will contribute to their satisfaction (Ramesh et al., 2019). Recent literature highlights that brand image has a significant impact on perceptions of value and satisfaction (Mohammed & Rashid, 2018). These arguments allow us to establish the following block of hypotheses:

Hypothesis 5: *Corporate reputation positively influences consumer perceived satisfaction.*

Hypothesis 6: Brand image positively influences consumer perceived satisfaction.

4.2.3.-Satisfaction and WOM

One result sought by marketing managers is that consumers are willing to spread positive opinions in their social environment (Grott, Cambra-Fierro, Perez & Yani-de-Soriano, 2019). *Word of Mouth* is defined as the communication established between two people in which the recipient understands that the information provided about a service, product or brand is not commercial (Arndt, 1967). WOM is a form of communication established between consumers and is based on personal experiences and evaluations regarding a company or a product (Richins, 1983). Therefore, it is logical to believe that for a consumer to recommend a product or a company, he or she must have had prior positive experiences and evaluations, that is, he or she must be satisfied. In this sense, the literature has closely linked satisfaction with various consumer positive behavioural intentions, such as positive WOM interactions (Jung & Seock, 2017). The above allows us to establish our last hypothesis:

Hypothesis 7: *Consumer perceived satisfaction positively influences WOM.*

4.3.-METHODOLOGY

To test our hypotheses, we conducted a study in the Peruvian food and beverages retail sector. Underlying our analysis of habitual consumption patterns is the fact that food and beverage products—together with textile, health and transport—are considered frequent consumption products in the Peruvian shopping basket (Instituto Nacional de Estadística e Informática, 2019). Our study population comprised consumers over 18 years old in the Metropolitan Lima area. The metropolitan area of the capital of Peru is home to over 30% of the country's population, representing all age groups, training and income levels—and the area is considered the economic and demographic engine of the country. Table 4.1, below, shows the technical data for our study.

Peru remains a stable economy in Latin America (LATAM) with a regionally high growth rate around 4%. According to a study by Atradius (2018), a trade credit insurer, Peru is considered one of the most promising emerging economies around the world with a notable growth prospects in 2019 for its primary industry sector. It should also be noticed that Peru has signed trade agreements with US, the European Union (EU), China, Mercosur and Australia.

We use a face-to-face questionnaire. The data collection took place over a three-month period during scheduled times (morning, afternoon and evening), seven days a week. Interceptions occurred near the supermarkets, convenience stores and mall entrances and exits to reduce sampling bias and to obtain a mix of respondents, as suggested by Kok and Fon (2014). The intercept is a popular method in marketing research (Bush & Hair Jr, 1985) and has been used in similar studies (Yani-de-Soriano, Hanel, Vazquez-Carrasco, Cambra-Fierro, Wilson & Centeno, 2019; Keillor, Lewison, Hult & Hauser, 2007). The intercept method is appropriate for our analysis because it enable**s** interviewers to screen potential respondents for their eligibility and to seek clarification if needed (Yani-de-Soriano et al., 2019).

Table 4.1: Technical data of the fieldwork

Universe	Consumers of food and beverage products, over 18 years of age, from the Metropolitan Lima area (Peru)
Sample size	403
Geographical scope	National. Peru
Sampling method	Random quota
Fieldwork	October-December, 2018
Sampling error	4.9% (p=q= 0.5; z= 1.96; 95%)
Analysis of information	PLS Software (SmartPLS 3.2.7)

The questionnaire used was adapted from previously validated and contrasted scales to measure each of the constructs (see Appendix 4.I). Interviewees had to think of F&B brands they associated with CRS practices –in order to avoid potential misunderstandings, some examples of good practices were provided–. All the constructs included in this study can be considered as design constructs or artifacts; that is to say, human-made instruments theoretically justified and typically created by managers and staff in companies (Henseler, 2017). Since such artifacts are shaped from a series of elementary parts or components which are combined to form a new entity, Henseler (2017) suggests modeling them as composites. As we aim to estimate a model of composites, to analyse the proposed model a structural equation modelling technique **is** employed using partial least squares (PLS) (SmartPLS v. 3.2.7) (Rigdon, Sarstedt & Ringle, 2017; Sarstedt, Hair, Ringle, Thiele & Gudergan, 2016).

4.4.-RESULTS

Given that our study has a confirmatory purpose, we begin the analysis of the estimated model providing that the GoF value (0.655), which is higher than the reference value of 0.4 proposed by Tenenhaus, Vinzi, Chatelin & Lauro, (2005). Therefore, the model presents a good quality of fit. With the objective of evaluating the quality of the data, we carried out an individual reliability analysis of each item relative to its construct. All resulting values exceed the threshold of 0.707 required by Carmines and Zeller (1979). The same was found when assessing the reliability of the variables using Cronbach's alpha and composite reliability. Appendix 4.I shows that all constructs are reliable, as they exceed the reference value of 0.8 for each index (Nunnally, 1978). The convergent validity was assessed by using the average variance extracted (AVE), which, according to Fornell and Larcker (1981), must exceed 0.5. As such, over 50% of the variance of the construct was found to be due to recommended indicators. Appendix 4.I shows that in all cases, the reference value is exceeded. Finally, the existence of discriminant validity was validated applying the comparison of the square root of AVE against correlations (see Table 4.2).

Table 4.2: Discriminant validity

	Brand image	CSR	Reputation	Satisfaction	WOM
Brand image	**0.803**				
CSR	0.578	**0.875**			
Reputation	0.798	0.563	**0.847**		
Satisfaction	0.603	0.569	0.570	**0.931**	
WOM	0.508	0.512	0.479	0.723	**0.94**

Numbers along the diagonal axis in bold are the square roots of the AVE for the variables; the rest of the numbers represent construct correlations. All correlations are significant at <0.01 (Coffie, 2020).

Regarding the structural model, a bootstrap analysis is performed to assess the statistical significance of the loadings and the path coefficients. We created 5,000 subsamples, employing t-Student distribution with 4,999 degrees of freedom (N – 1, where N = number of subsamples), obtaining the values $t_{(0.05;\ 4999)} = 1.64$; $t_{(0.01;\ 4999)} = 2.32$; and $t_{(0.001;\ 4999)} = 3.09$. From these values, we determine the acceptance or rejection of our hypotheses (see Table 4.3 below). Concerning the explained variance of the endogenous variables (R^2), the model shows adequate predictive power, since all of the endogenous constructs achieve an explained variance greater than 0.1, the reference value established by Falk and Miller (1992).

The data shown in Table 4.3 highlight that, as predicted, all the links between constructs are significant. As such, all the hypotheses can be confirmed and the first step of chain of effects model, we propose, has been proved to occur starting from CSR. Thus, by accepting H_1, H_2 and H_4 we confirm that CSR has a direct and significant link to reputation, brand image and perceived satisfaction. Reputation positively influences on brand image (H_3). Moreover, we also find that both reputation and brand image directly influences on satisfaction (confirming H_5 and H_6). Finally, our chain of effects model concludes showing a direct and positive link from perceived satisfaction to WOM (H_7).

Table 4.3: Structural model results

Hypothesis	**B**	**t-value**	**R^2**
H_1: CSR -> REP	0.153**	3.048	0.652
H_2: CSR-> B IMAG	0.578***	15.986	
H_3: REP -> B IMAG	0.709***	16.054	0.334
H_4: CSR -> SAT	0.307***	4.909	0.445
H_5: REP -> SAT	0.159*	1.948	
H_6: B IMAG -> SAT	0.298***	4.663	
H_7: SAT -> WOM	0.723***	27.301	0.522

*** When the t value obtained by the Bootstrap technique overcomes T Student value t(0.001, 4999) = 3.09, the hypothesis is accepted with 99.9% significance. ** When the t value obtained by the Bootstrap technique overcomes the T Student value t(0.01, 4999) = 2.32, the hypothesis is accepted at 99% significance. * When the t value obtained by the Bootstrap technique overcomes the T Student value t(0.05, 4999) = 1.64, the hypothesis is accepted at 95% significance.

4.5.-DISCUSSION AND CONCLUSIONS

Sustainability is playing an increasingly important role in commercial management (López-Pérez, et al., 2018; Zhang & Mei, 2020). In fact, a greater number of companies are incorporating these sustainability principles in their values and policies, and the retail sector is no exception (Olsson et al., 2019; Ruiz-Real et al, 2019). Consumption patterns are changing at a dizzying rate and companies must adapt to them. As such, the present study examines the impact of retail companies' sustainability actions–measured based on the CSR concept–on consumer satisfaction levels and their predisposition to generate positive WOM through a chain of effects that considers corporate reputation and brand image as transmitters of such CSR actions. In this sense, our research is compatible with the proposal of Ruiz-Leal et al., (2019) who draw attention to the growing importance of promoting sustainable practices in retail, while calling for a greater number of empirical studies on the potential links between sustainability actions and retailers' image/brands.

Previous studies have signalled the existence of positive relationships between CSR and reputation (López-Pérez et al., 2018; Melo & Garrido-Morgado, 2012; Flores-Hernández et al., 2020) and also between CSR and brand image (Kim & Lee, 2020; Ramesh et al., 2019; Rust & Lemon et al., 2001; Li et al., 2019; Holt et al., 2004). Nevertheless, there is a big gap in research as these basic models need to be expanded to cover post-purchase behaviours of a non-transactional type (i.e. WOM). Furthermore, none of them had so far studied the case of an emerging economy. Taking into account the fact that economic growth is not always achieved following the rules of sustainability and that the resulting production and consumption patterns can generate negative externalities such as income inequalities, pollution and depletion of natural resources, analyzing the case of emerging economies is of great interest. In particular, it is important to know in what way consumers in emerging economies, in their dual role as consumers and citizens, perceive and value companies efforts to work under the prism of sustainability. Our results are very encouraging as they show that, in line with the general body of literature, consumers in these economies have a positive attitude towards the CSR actions implemented by retailing companies.

Specifically, the results of our study support those of previous works (López-Pérez et al., 2018; Kim & Lee, 2020; Ramesh et al. 2019; Li et al., 2019) that recognise the existence of a positive link between CSR and reputation and perceived brand image. In addition, we identified a positive chain of effects that confirms a positive link between CSR and consumers' perceived level of satisfaction (Webb et al., 2008; Becker-Olsen et al., 2006), also in the context of emerging economies (Coffie, 2020; Odoom, 2016). This idea is relevant because until now, there was only scarce evidence in this regard in the case of emerging economies, characterised by lower income levels and less awareness of the concept of sustainability. However, our data reveals that sensitivity to sustainability exists on a global scale: appropriate actions have an impact on the market's perception of the brands and products that assume these sustainable principles, and the latter reinforce the product's intrinsic characteristics. Therefore, regardless of the motives that drive companies towards those practices compatible with sustainability and social responsibility– whether intrinsic, extrinsic, stakeholder pressure, or a combination of them (De Jong & van der Meer, 2017)– its importance is clear across widely diverse contexts: geographic, cultural, sectorial.

It seems clear that generating a positive link with products will facilitate customer loyalty. This idea becomes crucial in the retail sector since in many cases we observe that this sector deals with products that are everyday consumer products (food and beverages in our study). Since brands are recognised as relationship builders between retailers and customers (Iver et al., 2020;

Fetscherin et al., 2019) through the creation of emotional bonds (Veloutsou & 2017; Fetscherin et al., 2019), our analysis becomes quite relevant. If firms develop CSR practices and are able to communicate them to customers, a positive market attitude in terms of reputation, brand image and perceived satisfaction may create adequate patterns of consumption, sharing the co-responsibility for a sustainable development.

As our results show, we can be optimistic as there is a path to get sustainable growth in emerging economies. In this sense, from a practical point of view, we must recommend the adoption of sustainable manufacturing practices, compatible with the principles of economic, social and environmental sustainability, but also sustainable distribution and communication practices. Retailing companies must be aware of their carbon footprint, regardless of whether they use physical points of sale or online order delivery (e.g. the last mile). Furthermore, we strongly recommend complementing these actions with a proper communication strategy through web pages, social networks, advertising, also applying adapted product labelling; all this for purposes of commercial positioning and differentiation from competitors. This way, companies will be able to build relevant competitive advantages. Nevertheless, as the Social Capital Theory (Kumar & Kumar, 2020; Putnam, 2020; Sen & Cowley, 2013) points out these actions must respond to real criteria and never to punctual and opportunistic stimuli. Otherwise, companies run the risk of being penalised by the market. Sustainability must be integrated into the core of the company's activity, in its DNA.

Our results also reflect that higher levels of consumer satisfaction drives their predisposition towards a positive WOM. This idea is present in general marketing literature (Grott et al., 2019; Kumar, Dalla Pozza & Ganesh, 2013). However, it had not been analysed until now regarding CSR actions and our research can be considered as pioneer. Thus, from a practical point of view we must recommend ensuring that the product meets the standards anticipated by consumers, that their expectations be met, that the product or service conforms to the company’s sustainability standards. Misleading advertising, as highlighted in the previous paragraph, is never a good idea. Furthermore, companies can reinforce the effect of satisfaction using other types of actions that encourage customers to express favourable opinions. Promoting raffles, giving loyalty points, establishing different levels of relationship with the company are useful tools to spur consumers assuming that they will do so as long as they are satisfied with the product/service. These initiatives will be all the more important the greater the effect of social networks or search engines on the information search process. In addition, the devastating effect of a negative WOM must be again taken into account.

Therefore, both from a theoretical and a practical viewpoint, we advocate the building of a solid corporate reputation based on the CSR. This will be possible when sustainability is a reference in any company’s management generally, and in retail companies in particular. The brand image will become an intangible asset of great value that will reinforce the consumer's decision process and their level of satisfaction regarding the product or service purchased. If companies are capable of generating this virtuous cycle, we can expect positive non-transactional behaviours of great value to the company such as WOM. Moreover, from a theoretical point of view, it will reinforce both the reputation and brand image as well as the company’s future positioning.

Despite the theoretical and practical relevance of this research, we must recognise some limitations. Results were based on surveys, not actual behavioural data. We used a number of procedural strategies to address potential bias and to ensure data validity (Podsakoff, MacKenzie, Lee & Podsakoff, 2003): ensuring participant anonymity; clarifying that there were no right or wrong answers; using previously validated scales and developing a pre-test to avoid possible ambiguities in the scales' wording. In addition, the data are limited to one specific country. However, given that the few studies on the subject to date work with samples from developed economies, rooting our research in the analysis of an emerging economy can only enhance the relevance of our study and its contribution to the literature. From our perspective, it would be interesting to complete the study with other non-transactional behaviours, such as the willingness of consumers to co-create, as additional outcomes to our chain of positive effects. Finally, replicating the study in other emerging countries would be of great interest to improve our knowledge about different consumer reaction patterns before CSR actions are developed in companies and, in this way, reinforce the role of CSR in business activity generally and commercial activity in particular.

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Appendix 4. I. Measurement Scales (Sources) (Alpha C., FC., AVE)/Mean/Standard deviation

CONSTRUCT/ITEMS	Mean	St
BRAND IMAGE (B IMAG) [53] (0.818; 0.879; 0.645)		
B1. The [brand] logo is easily recognised.	6.635	3.500
B2. My social environment is aware of the values conveyed by [brand].	5.087	1.407
B3. I think [brand] stands out among its competitors.	6.092	1.061
B4. I think [brand] is easily remembered by consumers.	6.427	0.959
B5. Society can rely on [brand].	5.481	1.345
CORPORATE SOCIAL RESPONSIBILITY (CSR) [53] (0.898; 0.929; 0.766)		
CSR1. I consider [brand] to be socially responsible.	4.868	1.398
CSR2 . [Brand] is committed to promoting well-being in society.	4.789	1.462
CSR3. [Brand] is environmentally friendly.	4.697	1.513
CSR4. The human resources management of [brand] goes beyond legal	4.530	1.416
REPUTATION (REP) [59] (0.900; 0.926; 0.717)		
R1. I think [brand] has a good reputation.	5.608	1.351
R2. I think [brand] is well known.	6.467	0.997
R3. I think [brand] is admired.	5.583	1.280
R4. I think [brand] is prestigious.	5.811	1.248
R5. Overall, I think [brand] has a good reputation.	5.759	1.260
SATISFACTION (SAT) [84] (0.949; 0.963; 0.867)		
S1. My relationship with [brand] has been positive.	4.772	1.596
S2. Compared to what my ideal relationship would be, I am very satisfied with	4.752	1.535
S3. Overall, I am very satisfied with [brand].	5.005	1.449
S4. I am very satisfied with [brand] as it has fulfilled my expectations.	4.968	1.488
WORD OF MOUTH (WOM) [90] (0.869; 0.938; 0.883)		
WOM1. I like to share my experiences as a [brand] customer with others.	4.417	1.701
WOM2. I'll recommend [brand] to friends and family.	4.643	1.663
WOM3. I always give my honest opinion about [brand] services.	5.821	1.339

CHAPTER 5: CONCLUSIONS

5.1.-OBJECTIVES AND STRUCTURE

The development of this doctoral thesis arises with the aim of deepening the study of CSR in the context of emerging economies, specifically in LATAM. For this, we worked with the Peruvian case. In general, the study is based on the CSR theoretical model proposed by Porter and Kramer (2006, 2011), Carroll (1979) and Ajzen (1985). We worked with representative samples of managers and consumers in Peru.

This research has a double objective (applied to the context of an emerging economy). First, to find out the perceptions of managers regarding the possible impact of CSR actions on company value. Second, to find out how consumer perceptions regarding CSR initiatives affect their attitudes and intentions to purchase.

To this end, a sequential process has been developed, based on a review of the literature that has made it possible to identify the existing gap between developed and emerging economies. Likewise, specific aspects of the language of CSR in the business context have been clarified and possible relationships between constructs proposed.

Two quantitative studies based on surveys directed at managers and consumers in the Peruvian market have been carried out, with a view to determine the extent to which CSR impacts customer perceptions and the company financial value. The entire analysis was carried out within the framework of an emerging economy, where there is no evidence of studies that have explicitly addressed possible links between CSR and the constructs proposed in this thesis. Therefore, our study is pioneering research with regard to many of the aspects analyzed.

A logical process has been followed—starting with the general aspects that allowed us to identify the research gap. Then, we have gone on to delve into business realities to finally analyze the interrelations between variables, from a quantitative and generalizable standpoint. Hence, once the general aspects of our doctoral thesis were determined, different chapters were proposed for each investigation.

5.2.-GAPS AND OPORTUNITY OF THE RESEARCH

Existing literature has shown that firms can foster positive consumer perceptions through socially responsible behavior (Sen & Bhattacharya, 2001; Torres et al., 2012); these perceptions can, in turn, be a catalyst for more favorable attitudes and higher purchase intentions (Pérez et al., 2013).

This doctoral thesis is one of the first known attempts to study the impact of CSR on organizations in emerging economies from a quantitative point of view. While a number of studies have analyzed the phenomenon in different international/cultural contexts—e.g., (Gelbmann, 2010), Austria; (Block & Wagner, 2013), United States; (Eweje & Sakaki, 2015), Japan; and (Ählström & Egels-Zandén, 2008), Sweden—very few studies address CSR's influence on firms in emerging markets. China is the most popular context (Nordensvard et al., 2015), while there is no evidence to date of the phenomenon being studied in LATAM contexts.

5.3.-LITERATURE HIGHLIGHTS

Most research to date has focused on firms and consumers in developed countries. In such a context, this thesis addresses a little-explored context, no stranger to business shifting: the emerging Peruvian market. Emerging economies, by definition, refer to contexts with lower levels of economic development—yet which display positive evolution in their development indicators. Hence, understanding how managers in emerging markets perceive CSR is essential to assessing the extent to which sustainable actions can be carried out effectively in these contexts.

CSR, as we pointed out earlier, is fundamental to company success and sustainability over time. Simply put, to be—and stay—at the forefront, organizations must adopt CSR-oriented actions. Private companies, institutions and the public sector alike increasingly support CSR-based, sustainable practices. Most market challenges lie precisely in the management and implementation of such practices, with more responsible production-sensitive consumers in mind.

With growing stakeholder concerns regarding sustainable development, corporate social responsibility (CSR) has become a key element in the business community—moving business models beyond financial performance towards a new voluntary paradigm rooted in resource conservation, social well-being, stakeholder engagement, and economic performance. CSR comprises principles of economic, social and environmental sustainability which firms adopt voluntarily—independently of the current legislation (Porter & Kramer, 2006). Through CSR, companies demonstrate their commitment to contribute to sustainable economic development and work with employees, their families, the local community and society as a whole to improve quality of life (World Business Council for Sustainable Development, 2004).

The literature indicates that corporate reputation is a driver for firms opting to adopt CSR initiatives (Fombrun, 2005). Corporate reputation is understood as the collectively perceived opinion of a company's stakeholders (Fombrun & Shanley, 1990; Foroudi et al., 2014). In other words, a good reputation depends on the extent to which firms meet stakeholders' social expectations. Investing in CSR strategies helps companies build and convey positive messaging and reputation (Anbarasan, 2018). This is achieved by creating distinctive brand recognition (Bai & Chang, 2015), attracting public opinion and ensuring constructive stakeholder engagement in company activities (Boccia & Sarnacchiaro, 2018; Surroca et al. al., 2010). Together, these factors lead companies towards successful, competitive operation (Bai & Chang, 2015).

CSR has an impact on the financial value of the company, as it is considered an intangible asset capable of generating sustainable value over time (Khan et al., 2019). The brand image-financial value relationship is significant in the Peruvian context, where a direct link between the two makes it possible to establish that financial—or other quantifiable—indicators are not enough when it comes to analyzing shifts in consumer behavior and decision-making. In the new context, variables like CSR and reputation value are decisive.

Finally, two reference theories have been identified: Social Capital Theory (Sen & Cowley, 2013) and Resource-Based Theory (Barney, 1991). Both theories have served to better understand CSR's impact on reputation, brand image and financial value which, in turn, help legitimize business activity.

5.4.-MAIN RESULTS FROM THE EMPIRICAL RESEARCH

In our view, Social Capital Theory (Sen & Cowley, 2013) and Resource-Based Theory (Barney, 1991) are most appropriate for analyzing the CSR phenomenon in emerging economies. Social Capital Theory helps to understand the characteristics of a social organization—i.e. networks, norms and other aspects that generally drive beneficial outcomes. Similarly, Resource-Based Theory is one of the most widely accepted theoretical models for better understanding strategic management, company behavior and performance—the focus being to maintain competitive advantage.

Our study verifies that—while large corporations in developed markets are at the forefront of CSR worldwide—firms in emerging countries like Peru still have much work to do in this regard. The data indicate that unlike more developed economy contexts where direct relationships linking CSR and financial value exist, in emerging markets, such direct relationships do not. The data also indicate that factors like company size and sector do not moderate causal model relationships. Hence, we suggest that both the cross-cultural component and different levels of economic development and market maturity moderate people's perceptions regarding the impact of CSR on company value. It is important to note, however, that—in the Peruvian market—large corporations, business groups, transnationals and *multilatinas* (multi-Latin firms) stand out in their awareness of the importance of CSR; and the most developed among them have complete CSR programs imbedded in their corporate strategy.

Finally, sustainability plays an increasingly important role in business management. More and more firms are incorporating sustainability principles in their values and policies—and the retail sector is no exception. Consumption patterns are changing at an ever-increasing pace and companies have little choice but to adapt. In this sense, the contributions of this thesis are aligned with the growing importance of fostering sustainable practices in firms—while encouraging more empirical research into the potential links between sustainability actions, CSR, brand image and financial value in emerging economies.

5.5.-IMPLICATIONS FOR MANAGEMENT

A wide range of factors drive CSR strategies and actions—from business sustainability, to community well-being, consumer satisfaction and well-being, transparency, employee and shareholder motivation and greater organizational competitiveness. Consumers are increasingly sensitive and aware of the problems we face as a society; hence, sustainable production and responsible consumption are important issues to consider—especially when developing an organization in an emerging economy. It is essential, then, that firms in emerging markets implement CSR strategies and actions designed to have a positive impact both on consumers and on the organization itself.

The Peruvian companies studied participate in a growth economy; samples used represent different sizes and sectors. Another crucial aspect are customers: while other agents within a given economy have a role in CSR, customers can force changes in business strategies which, ultimately, impact financial value.

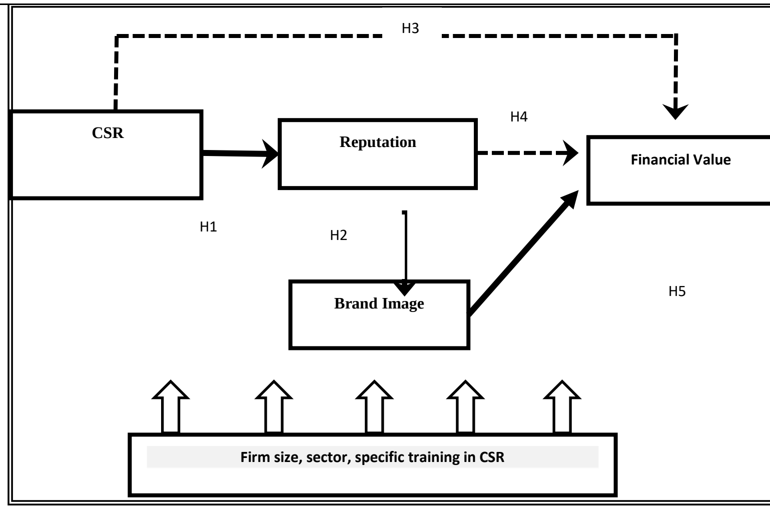
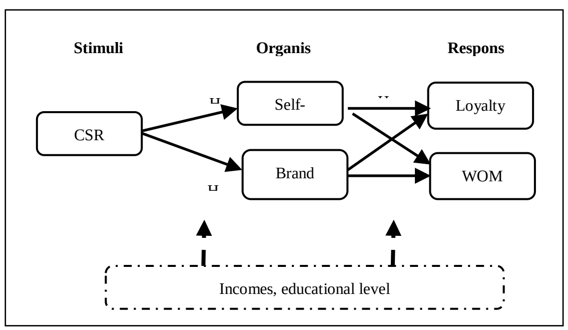
On the whole, firms must become more aware of CSR, as it has an imminent positive impact on business outcomes. Moreover, companies should better understand that socially responsible behavior is desirable—the best way to generate societal and institutional well-being. Our findings have allowed us to reach interesting conclusions regarding the meaning and presence of CSR in companies in emerging markets. This is not only of academic interest; it has clear repercussions for companies and greater society as well.

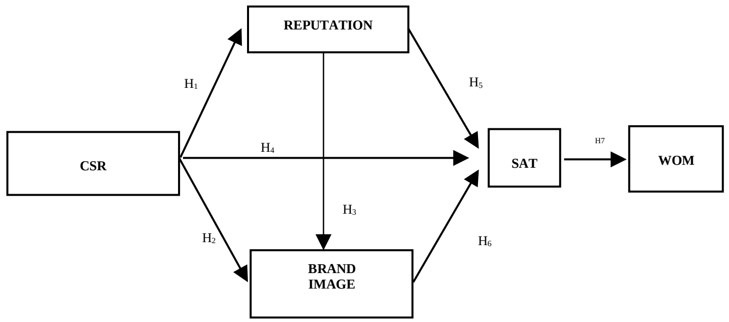
Finally, from both a theoretical and a practical standpoint, building solid CSR foundations should be advocated; this will serve as a cornerstone for further construction of essential aspects like corporate reputation, company image, connection with consumers, etc.—only possible when sustainability becomes a benchmark in business management. When this is the case, variables like brand image become highly valuable intangible assets; which, in turn, will bolster consumer decision-making processes of and customer purchase satisfaction.

5.6.-LIMITATIONS AND PROPOSALS FOR FUTURE RESEARCH

This doctoral thesis has a several limitations. First, some degree of response bias is possible. While both procedural and statistical tests indicate that our data are valid, we wish to point out this potential limitation out of an abundance of caution. Secondly, while our study is innovative insofar as it is the first of its kind, the lack of background literature is an important limitation; we suggest replicating the research in the context of other emerging economies. Finally, the instruments used may not be sufficient for addressing CSR's complexities. In this light, future research could develop additional and/or alternative instruments—providing a deeper analysis of the perceived dimensions of CSR. Future studies should verify whether the findings presented here hold true for other populations. Likewise, it is advisable to examine whether the effects observed in this study can be moderated by other factors not considered here. This would help clarify the effects that various initiatives have on different consumer segments, for example.

Table 5.1: Main results of the Doctoral Thesis

	CONCEPTUAL FRAMEWORK	MAIN IMPLICATIONS FOR THEORY AND PRACTICE
DOCTORAL THESIS	CSR→Reputation →brand image →financial value/Brand image	-A research gap exists with respect to CSR in emerging economies. -CSR has a direct impact on both managers and consumers.
STUDY 1 Sustainability, brand image, reputation and financial value: Managers´ perceptions in an emerging economy context. **(Business perspective)**		As economies develop, we see CSR becoming a key factor driving market position for the most successful companies. Hence, in emerging economies—if orderly, sustainable growth is to be achieved—it is essential that both public and private institutions channel efforts towards achieving two key objectives: on one hand, raising consumer awareness regarding the importance of opting for products and services from socially responsible sources: i.e., firms that actively contribute to systemic sustainability. On the other one, achieving profitability.
STUDY 2.1 CSR and branding in emerging economies: The effect of incomes and education. **(Consumer perspective i)**		Emerging economies adopt CSR initiatives to a lesser extent than their developed world counterparts. This difference, most studies find, is due to lower levels of economic development. Yet, the role of consumers is a key driver of both sustainable production and sustainable development.

STUDY 2.2 Sustainability and Branding in Retail: A Model of Chain of Effects **(Consumer perspective ii)**		Construction of a solid corporate reputation rooted in CSR is recommended. This will only be possible when sustainability becomes a management benchmark—for all firms, in general, and retail companies in particular. Brand image will then become a highly valuable intangible asset that will bolster consumer decision-making processes and satisfaction with respect to products or services purchased. If companies are able to generate this virtuous circle, we can expect positive non-transactional behaviors like WOM—of great value to the company. Moreover, from a theoretical standpoint, this will enhance reputation and brand image alike, along with company positioning down the line.

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Resumen de la Tesis

En las últimas décadas la Responsabilidad Social Corporativa (RSC) se ha convertido en un elemento fundamental para los consumidores y el éxito empresarial (López-Pérez et al., 2017, Martínez, et al., 2016; Ferri et al., 2016; Goyal and Kumar et al., 2016). La sociedad está tomando conciencia de la importancia de los recursos del planeta para las generaciones futuras. Por lo que, las empresas están asumiendo su responsabilidad para garantizar la sostenibilidad económica, social y medioambiental de su actividad (Block & Wagner, 2014; Eweje & Sakaki, 2015).

Existen expectativas de que las empresas, los gobiernos y los actores de la sociedad civil serán igualmente responsables de avanzar en un camino más sostenible hacia el futuro. El tratamiento de los ODS ofrece potencialmente una nueva forma de avanzar hacia la política y la práctica del desarrollo, con un énfasis en una amplia gama de objetivos y metas globales que el mundo debe alcanzar para el 2030 (Scheyvens et al., 2016).

Las empresas buscan legitimar sus actividades y la RSC ofrece un enfoque que contribuye con estas prácticas (Sidhoum y Serra, 2018) por ser considerada como una ventaja competitiva sostenible (Ramesh et al., 2019). Es decir, la RSC fomenta prácticas de sostenibilidad que incluyen valores de transparencia, buen gobierno corporativo, establecimiento y gestión de relaciones respetuosas con proveedores, clientes y comunidades locales. Asimismo, puede contribuir a reforzar el posicionamiento de las empresas (Schmidt et al., 2018).

El objetivo de la investigación es Analizar la RSC en el contexto de las economías emergentes. Identificar desde un enfoque cuantitativo las principales variables relacionadas desde la perspectiva de los gerentes y consumidores.

En los últimos años, los gerentes y la comunidad académica han tomado conciencia en reconocer las diferencias entre los consumidores, cultura y empresas. Aspectos como el tamaño, el sector, el tipo de economía, la sociedad, entre otros factores nacionales, permiten determinar la utilidad de la RSC para un determinado contexto. En ese sentido, debido a la poca atención en investigación que se les ha dado a los países emergentes, este estudio se ha enfocado en el caso peruano. No hay evidencia de estudios que hayan abordado explícitamente posibles vínculos entre RSC, consumidores, reputación, imagen de marca, engagement, valor financiero en el contexto de economías emergentes.

Para el logro de los objetivos de esta investigación se ha caracterizado a las empresas, gerentes y consumidores. Para el primer grupo se consideró variables como sector, tamaño; para los gerentes se examinó su formación y experiencia; y para los consumidores se evaluaron sus percepciones. Estos datos permitieron conocer la presencia de la RSC en las empresas peruanas. Se realizaron tres estudios cuantitativos que ayudaron a conocer las percepciones de los managers y consumidores:

En el primer estudio de investigación se analizó los vínculos potenciales entre la RSC y el valor financiero en contextos de economías emergentes. El objetivo fue analizar el impacto de la RSC en el valor financiero en contextos de economías emergentes, desde la perspectiva de los gerentes, ya que están a cargo de la operación y administración efectiva de las empresas. Asimismo, se evaluó hasta qué punto la reputación y la imagen de marca impactan en la relación RSC-valor financiero, ya que estos factores pueden tener un valor intangible clave para las empresas. En segundo lugar, se determinó si el grado de desarrollo económico o la existencia de factores transculturales tienen un impacto en las relaciones propuestas. En suma, se analizó el potencial papel moderador de factores como el tamaño de la empresa, el sector y la formación.

En la segunda investigación se analizó en qué medida la RSC, afectó el vínculo entre consumidores y marcas en los mercados emergentes. Además, se determinó el efecto de la conexión con la marca tanto en la lealtad del consumidor como en la voluntad de recomendar los productos de la empresa: el boca a boca (WOM). Por último, se analizó la influencia potencial de las variables sociodemográficas: ingresos y educación, en los patrones. Es decir, se estudió el rol de los consumidores como corresponsables del desarrollo sostenible en las economías emergentes.

Finalmente, en la tercera investigación se respondió a dos importantes interrogantes en el contexto de las economías emergentes, ¿Las actividades de RSC percibidas por los clientes repercuten en la reputación y la imagen de marca? ¿Influye la marca en la satisfacción percibida de los clientes y en el comportamiento posterior a la compra? Esta investigación profundizó en evaluar cómo los principios de sostenibilidad (medidos en RSC) tienen un impacto en la reputación y la imagen de marca; y cómo estos factores afectan los niveles percibidos de satisfacción de los consumidores. Asimismo, analizó el impacto en la predisposición de los consumidores a emitir opiniones favorables sobre productos/marcas y determinó los patrones de consumo en las economías emergentes.

La investigación contribuye al conocimiento académico en el sector empresarial, abordando variables relevantes para la gestión en nuevos tiempos y desafíos. Cuantitativamente se analizó los vínculos entre RSC y lealtad, boca a boca, emotional Brand engagement, self-brand connection, valor financiero, imagen de marca y reputación de las empresas en mercados emergentes, específicamente el mercado peruano.

Los resultados obtenidos de esta investigación no solo competen al ámbito académico, sino que son de interés para las esferas empresariales, institucionales y de la administración pública. Creemos que la presencia de la RSC es un aspecto crucial para comprender a la sociedad y a la empresa armónicamente. Las organizaciones por un lado cumpliendo su visión, misión y valores para buscar el bienestar de la sociedad. Ambas esferas deben estar en equilibrio.